



CALIFORNIA STATE PUBLIC WORKS BOARD

ARNOLD SCHWARZENEGGER, GOVERNOR

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STATE PUBLIC WORKS BOARD

March 9, 2007

MINUTES

PRESENT:

Mr. Michael C. Genest, Director, Department of Finance
Mr. Andrew Chang, Chief Deputy Director, Department of General Services
Ms. Cindy McKim, Deputy Director, Department of Transportation
Ms. Cindy Aronberg, Deputy Controller, State Controller's Office
Mr. Francisco Lujano, Deputy Treasurer, State Treasurer's Office

STAFF PRESENT:

Karen Finn, Assistant Administrative Secretary
Theresa Gunn, Assistant Administrative Secretary
Deborah Cregger, Counsel to the PWB
Henry Nanjo, Counsel to the PWB
Stan Hiuga, Budget Analyst
Matt Schuller, Budget Analyst
Nathan Brady, Budget Analyst
Chris Sanford, Secretary to the Public Works Board

OTHERS PRESENT:

Warren Westrup, Department of Parks and Recreation
David Wrightsman, Department of Parks and Recreation
Dale Clevenger, California Community Colleges
Sabrina Winn, Department of General Services
Liz Yokoyama, Department of General Services
David Wakabayashi, Department of Parks and Recreation
Jett Peek, Department of General Services

CALL TO ORDER AND ROLL CALL:

Mr. Mike Genest, Chairperson of the SPWB and Director of the Department of Finance, called the meeting to order at 10:03 a.m. Ms. Karen Finn, Administrative Secretary for the State Public Works Board, called the roll. A quorum was established.

The first order of business was approval of the Minutes from the February 9, 2007 meeting.

A motion was made by Ms. McKim and Second by Mr. Chang to approve the minutes from the February 9, 2006 meeting.

The minutes were approved by a 5-0 vote.

BOND ITEMS:

Ms. Finn reported that there were three Bond Items for consideration. Bond Item #1 was for the Department of Forestry and Fire Protection's project titled *Replace Various Buildings*. The requested action would adopt a resolution authorizing actions to be taken to provide for interim financing and the sale of lease revenue bonds. Staff recommended adoption and approval.

There were no comments or questions from the Board or the public.

A motion was made by Ms. Aronberg and Second by Ms. McKim to approve Bond Item #1.

Bond Item #1 was approved by a 5-0 vote.

Ms. Finn then reported that Bond Item # 2 was for the California State Library and California State University's project titled *Joint Library; J. Paul Leonard Library and Sutro Library*, at the San Francisco Campus. The requested action would adopt a supplemental resolution to amend previous actions to be taken to provide for interim financing and the sale of lease revenue bonds consistent with increased project authority of \$21,031,000. Staff noted that this amount was less than what was in the notice. Staff recommended adoption and approval for the new amount of \$116,553,000.

There were no comments or questions from the Board or the public.

A motion was made by Mr. Francisco Lujano and Second by Ms. McKim to approve Bond Item #2.

Bond Item #2 was approved by a 5-0 vote.

Ms. Finn stated that the last one, Bond Item #3 was a three part item for the University of California's Refunding of Lease Revenue Bonds. The requested action would adopt resolutions authorizing the issuance of refunding bonds and approve the forms of documents in the Board's package that were specified in the resolution before them. It had been the SPWB's practice to proceed with refinancings, which produce at least three percent net present value savings over the original financings. In some instances, this requirement was waived for a portion of the maturities within an issue if the balance of the maturities merit refinancing and it made sense to refinance the entire issue. The issues proposed for refinancing would meet this general criteria at the time of financing, or the State Treasurer would defer sale until market conditions were more favorable. The maximum par value of each 2007 series was as follows;

Series A bonds is \$206,170,000

Series B bonds is \$59,425,000

Series C bonds is \$135,075,000

The maximum true interest cost would not exceed 5.25 percent. Staff recommended adoption and approval of these Series. A single vote would count for all three resolutions.

There were no comments or questions from the Board or the public.

A motion was made by Mr. Francisco Lujano and Second by Mr. Chang to approve Bond Item #3.

Bond Item #3 was approved by a 5-0 vote.

CONSENT CALENDAR:

Ms. Finn reported that the Consent Calendar covered items numbered 4 through 20. In summary these items proposed: (Consent Items #4 – thru – #20)

- 3 requests to authorize site selection [4,5,11]
- 8 requests to authorize acquisition [6, 9, 12, 14, 15], 3 of which (7, 8, 10) were at no-cost.
- 1 request to amend an acquisition item from last month to recognize changes in project funding [13]
- 4 requests to approve preliminary plans [16,17,18,19]
- 1 request to re-establish project cost [20] Staff noted that the project cost reflected in the Consent Calendar was \$628,000 less than that shown in the noticed agenda, reflecting a refinement of project costs.

In summary staff recommended approval of the **Consent Calendar** consisting of Items numbered 4 thru 20.

There were no comments or questions from the Board or the public.

A motion was made by Ms. McKim and Second by Mr. Chang to approve the Consent Calendar

The Consent Calendar was approved by a 3-0 vote.

ACTION ITEMS

Ms. Finn then reported that there was one Action Item on the agenda. Action Item #21 would recognize scope change to the Department of General Services' project titled the *Sacramento Library and Courts Building Renovation*. The original plan involved phasing of the construction to allow continuous occupancy of the building during renovation. Based on a detailed analysis of infrastructure systems during schematic design, it was now recommended that the building occupants and collections be relocated during the two year duration of the construction phase. A detailed analysis of tenant space needs, move costs, and project impacts had commenced. There was a 20-day letter sent to the appropriate Legislative Committees on February 23, 2007, noticing Staff's intent to recommend recognizing scope change to this item. The action would be contingent upon the expiration of the 20 days on March 15, 2007. Staff recommended the Board recognize scope change.

There were no comments or questions from the Board or the public.

A motion was made by Mr. Chang and Second by Ms. McKim to approve Action Item #21
Action Item #21 was approved by a 3-0 vote.

OTHER BUSINESS:

None.

REPORTABLES:

Ms. Finn stated that there were **two** reportable items for this month that staff had approved under authority delegated by the Board.

NEXT MEETING:

Ms. Finn informed the Board that the next meeting was set for **Friday, April 13, 2007, at 10:00 AM, at the State Capitol, Room 113.**

Mr. Genest asked if there were any comments or questions from the public before adjournment. No answer was forthcoming

Mr. Genest adjourned the meeting at 10:12 a.m.

AGENDA AND STAFF ANALYSIS

**NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
Friday
March 9, 2007**

The **STATE PUBLIC WORKS BOARD** will meet on, **Friday March 9, 2007, at 10:00 a.m. in Room 113 in the State Capitol, Sacramento, California.** In accordance with provisions of Section 11125 of the Government Code, a copy of the Agenda is attached.

Theresa Gunn
Assistant Administrative Secretary

Attachment

STATE PUBLIC WORKS BOARD

Friday
March 9, 2007
10:00 a.m.
Room 113
State Capitol
Sacramento, California

I. Roll Call

Michael C. Genest, Director, Department of Finance
Will Bush, Interim Director, Department of General Services
Will Kempton, Director, Department of Transportation
John Chiang, Controller, State Controller's Office
Bill Lockyer, Treasurer, State Treasurer's Office

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Patrick W. Henning, Director, Employment Development Department
(Advisory Member)

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Assembly Member, Legislative Advisor
Assembly Member, Legislative Advisor
Assembly Member, Legislative Advisor
Senator Darrell Steinberg, Legislative Advisor
Senator, Denise Ducheny, Legislative Advisor
Senator, Carole Migden, Legislative Advisor

II. Approval of minutes from the February 9, 2007 meeting
Report on conditional approvals of last meeting.

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BOND ITEM

BOND ITEM – 1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
NORTH REGION FOREST FIRE STATION FACILITIES, REPLACE VARIOUS BUILDINGS
VARIOUS COUNTIES**

Authority: Chapters 47 and 48/06, Item 3540-301-0660 (1)

Adopt a resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds.
2. Authorize the execution of a Construction Agreement between the Department of Forestry and Fire Protection and the State Public Works Board.
3. Approve the form of and authorize the execution of a Site Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
4. Approve the form of and authorize the execution of the Facility Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

Total Estimated Bond Authorization:

\$22,639,000

APPROVED 5/0

BOND ITEM

STAFF ANALYSIS ITEM – 1

Department of Forestry and Fire Protection
North Region Forest Fire Station Facilities, Replace Various Buildings
Various Counties

Action Requested

The requested action will adopt a resolution authorizing actions to be taken to provide for interim financing and the sale of lease revenue bonds.

Scope Description

This project is within scope. The projects included in this item are consistent with the approved scope. A detailed scope for each facility is included below.

Detailed Descriptions

Elk Creek Forest Fire Station \$2,063,000

The approved project authorizes the construction of a 12-bed barracks/mess hall building (3,753± sf), a generator/pump house building with emergency generator and fire pump (395± sf), a storage building (150± sf), a retaining wall, security fencing; and the installation of a new septic system and leach field. The project also retrofits the existing apparatus building with an automatic fire sprinkler system, and includes demolition of the existing barracks/mess hall building, a 20,000 gallon water tank, a hose wash rack, site work, upgrade and replacement of utilities, paving, landscaping, and all other appurtenances as needed.

Forest Ranch Forest Fire Station \$2,131,000

The approved project authorizes the construction of a 12-bed barracks/mess hall building (3,753± sf), an additional bay attached to the apparatus building (335± sf), a Battalion Chief's office (156± sf), a generator/pump house building with emergency generator and fire pump (395± sf) and a storage building (120± sf). The project also retrofits the existing apparatus building with an automatic fire sprinkler system and includes demolition of the existing barracks/mess hall building, a 20,000 gallon water tank, a hose wash rack, security fencing, site work, new water system, utilities, paving, curbs, walkways, landscaping, drainage, and all other appurtenances as they relate to the new structures.

Saratoga Summit Forest Fire Station \$2,241,000

The approved project authorizes the construction of a 12-bed barracks/mess hall building (3,753± sf), a single-office administration building (156± sf), and a generator/pump house building with emergency generator and fire pump (395± sf). The project also retrofits the existing apparatus building with an automatic fire sprinkler system and includes demolition of the existing barracks/mess hall building, a 20,000 gallon water tank, a hose wash rack, security fencing, site work, utilities, paving, curbs, walkways, and all other appurtenances as needed.

Smartville Forest Fire Station \$1,603,000

The approved project authorizes the construction of a 3-bay apparatus building (1,999± sf), a generator/pump house building with emergency generator and fire pump (395± sf), an administrative office building (152± sf), and a storage building (120± sf). The project also retrofits the existing 12-bed barracks building with automatic fire sprinkler and alarm system and includes demolition of the existing apparatus building, a 20,000 gallon water tank, a hose wash

rack, security fencing, site work, utilities, paving, curbs, walkways, landscaping, and all other appurtenances as needed.

Whitmore Forest Fire Station

\$2,004,000

The approved project authorizes the construction of a 12-bed barracks/mess hall building (3,753± sf), a generator/pump house building with emergency generator and fire pump (395± sf), and a storage building (120± sf). The project also retrofits existing 3-bay apparatus building with an automatic fire sprinkler system and includes demolition of the existing barracks/mess hall building, a 20,000 gallon water tank, hose wash rack, security fencing, site work, utilities, paving, curbs, walkways, landscaping, and all other appurtenances as needed.

Thorn Forest Fire Station

\$1,652,000

The approved project authorizes the construction of an 8-bed barracks/mess hall (3,135± sf) and a generator/pump house building with emergency generator and fire pump (395± sf). The project also retrofits the existing 2-bay apparatus building with fire sprinklers and includes demolition of the existing barracks/mess hall building, security fencing, site work, utilities, paving, curbs, walkways, landscaping, and all associated appurtenances as needed.

Del Puerto Forest Fire Station

\$3,416,000

The approved project authorizes the construction of a 10-bed barracks/mess hall building (3,620± sf), a 2-bay dozer shed (1,982± sf), a generator/pump house building with emergency generator and fire pump (267± sf), an administrative office building (512± sf), and a covered vehicle wash rack building (1,540± sf). This project also retrofits the existing 2-bay apparatus building and vehicle maintenance shop with fire sprinklers and includes demolition of the existing barracks/mess hall building, security fencing, site work, utilities, paving, curbs, walkways, and all associated appurtenances as needed.

Burrell Forest Fire Station

\$2,288,000

The approved project authorizes the construction of an 8-bed barracks/mess hall (3,134± sf), a generator/pump house building with emergency generator and fire pump (395± sf), and a Self-Contained Breathing Apparatus (SCBA) building (800± sf). This project also retrofits the existing 2-bay apparatus building with fire sprinklers and includes demolition of the existing barracks/mess hall building, a 20,000 gallon water tank, site work, utilities, paving, curbs, walkways, landscaping, and all associated appurtenances as needed.

Point Arena Forest Fire Station

\$1,459,000

The approved project authorizes the construction of a 2-bay apparatus building (1,664± sf), a generator building with emergency generator (267± sf), retrofits the existing barracks/mess hall building with fire sprinklers, and remodels the residence. The project includes demolition of the existing apparatus building, a hose wash rack, security fencing, site work, utilities, paving, curbs, walkways, and all associated appurtenances as needed.

Susanville Forest Fire Station

\$1,864,000

The approved project authorizes the construction of a 14-bed barracks/mess hall building (3,953± sf), a generator building with emergency generator (267± sf), and a Battalion Chief's office building (156± sf). The project includes demolition of the existing barracks/mess hall building, security fencing, site work, utilities, paving, curbs, walkways, and all associated appurtenances as needed.

Buckhorn Forest Fire Station

\$1,917,000

The approved project authorizes the construction of an 8-bed barracks/mess hall building (3,753± sf), a generator/pump house building with emergency generator and fire pump (395± sf), and retrofits the existing apparatus building with fire sprinklers. The project includes demolition of the existing barracks/mess hall building, a hose wash rack, security fencing, a

20,000 gallon water tank, site work, utilities, paving, curbs, walkways, and all associated appurtenances as needed.

Funding and Cost Verification

This project is within cost. Chapters 47 and 48/06, Item 3540-301-0660 (1) provides \$22,639,000 for preliminary plans, working drawings and construction to replace various buildings at 11 forest fire stations in the North Region.

\$22,639,000 total authorized project costs

\$22,639,000 total estimated project costs

\$0 project costs previously allocated

\$22,639,000 project costs to be allocated: \$1,592,000 preliminary plans; \$767,000 working drawings; and \$20,280,000 construction (\$19,132,000 contracts, \$958,000 contingency, \$190,000 A&E and other project costs)

CEQA

CEQA documents for this project will be prepared during the preliminary plan phase.

Due Diligence

The Department of General Services will prepare the Due Diligence documentation during the preliminary plan phase.

Project Schedule

The project schedule is as follows:

Approve preliminary plans:	September 2007
Approve working drawings:	November 2008
Complete construction:	March 2011

Staff Recommendation: **Adopt resolution**

BOND ITEM

BOND ITEM – 2

**CALIFORNIA STATE LIBRARY (6120)
CALIFORNIA STATE UNIVERSITY (6610)
SAN FRANCISCO CAMPUS, JOINT LIBRARY: J. PAUL LEONARD LIBRARY AND SUTRO
LIBRARY
SAN FRANCISCO COUNTY**

*Authority: Chapter 33/02, Section 34 (a)(1) and (a)(3)A
Chapter 509/06, Section 1, Sec. 34(a)(1) and (a)(3)(A)*

Adopt an amended resolution to:

1. Authorize the use of interim financing, to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds.
2. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

Total Estimated Bond Authorization: \$121,794,000

**(\$26,272,000 million in this action)
(\$95,522,000 in April 2002 action)**

APPROVED 5/0

BOND ITEM

STAFF ANALYSIS ITEM – 2

California State Library
California State University
San Francisco, Joint Library: J. Paul Leonard Library and Sutro Library
San Francisco County

Action Requested

The requested action will adopt an amended resolution authorizing action to be taken to provide interim financing therefore and the sale of lease revenue bonds consistent with increased project authority.

Scope Description

The project is not within scope. The Joint Library project will renovate the existing library and provide an adjacent addition on the California State University (CSU) San Francisco campus. The authorized project scope would provide for a library of 302,597 assignable square feet (ASF)/427,533 gross square feet (GSF) with book storage capacity of 1,533,000 volumes; 3,043 reader stations and 29,250 ASF of technical support, multimedia, and AV services. CSU has worked to value engineer the project to reduce the gross area by 12 percent and simplifying the building design while maintaining equivalent book storage and reader station capacity. The Sutro Library component of 20,505 ASF/28,860 GSF is included in the overall building square footage (263,600 ASF/377,900 GSF) and will remain as originally scoped.

Funding and Project Cost Verification

The project is not within cost. The Joint Library project was originally funded in Chapter 33, Statutes of 2002 as an “economic stimulus project”. Chapter 33/02, Section 34 (a)(3)(A) authorized lease revenue bond funds for the CSU in the amount of \$85,035,000. In addition, \$10,487,000 in lease revenue bonds was appropriated to the State Library in Chapter 33/02, Section 34 (a)(1), for the Sutro Library component. Chapter 509/06 addresses the rise in construction costs associated with this joint project since the initial plan was created by appropriating an additional \$21 million for the project (\$19,097,000 to the CSU, and \$1,934,000 to the State Library).

In April 2002, the PWB adopted a resolution authorizing the sale of lease revenue bonds and interim financing of \$95,522,000. This action will authorize the sale and interim financing of an additional \$26,272,000. The proposed 2007 Governor’s Budget reflects the State Library’s appropriation for the Sutro component as a reimbursement in CSU’s budget, and the responsibilities of each entity with regard to design and construction of the project are detailed in a project management agreement between the two departments.

CSU – J. Paul Leonard Library

\$109,373,000 total estimated project cost

\$85,035,000 allocated: preliminary plans -- \$1,992,000; working drawings -- \$2,480,000;
construction -- \$80,563,000 at CCCI 4019

\$19,097,000 allocated: construction -- \$19,097,000 at CCCI 4019

\$5,241,000 future funding required - equipment

Sutro Library

\$12,421,000 total estimated project cost

\$10,487,000 **project costs previously allocated: preliminary plans -- \$321,000; working drawings -- \$427,000; construction -- \$9,193,000; equipment -- \$546,000 at CCCI 4019 and EPI 2546**

\$1,934,000 project costs to be allocated: construction -- \$1,934,000 at CCCI 4890

CSU and Sutro Combined

\$121,794,000 total estimated project cost

\$95,522,000 **project costs previously allocated: preliminary plans -- \$2,313,000; working drawings -- \$2,907,000; construction -- \$89,756,000; equipment -- \$546,000 at CCCI 4019 and EPI 2546**

\$21,031,000 **project costs to be allocated: construction -- \$21,031,000 at CCCI 4890**

\$5,241,000 future funding required - Equipment

CEQA

The University certifies that the project is in compliance with the requirements of CEQA. The Notice of Determination was filed with the State Clearinghouse on January 29, 2004 and no challenges were received within the thirty days following the filing.

Due Diligence

CSU, on behalf of the CSU Trustees, is vested with the authority for management of the property for the benefit of the university and acknowledges that they have full responsibility for reviewing and clearing due diligence title issues for general obligation bond funded projects.

Project Schedule

The project schedule is as follows:

Complete Preliminary Plans: June 2004
Construction Started: July 2007
Construction Completed: December 2010

Staff Recommendation: Adopt the amended resolution for an amended amount of \$116,553,000

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BOND ITEM

BOND ITEM – 3a

**UNIVERSITY OF CALIFORNIA (6440)
LEASE REVENUE REFUNDING BONDS
VARIOUS COUNTIES**

Authority: Government Code §15840

Adopt a resolution to:

1. Authorize the sale of State Public Works Board Lease-Revenue Refunding Bonds, The Regents of the University of California, 2007 Series A, Various University of California Project.
2. Approve the form of and authorize the execution and delivery of amendments to the Facility Leases.
3. Approve the form of and authorize the execution and delivery of a First Supplemental Indenture.
4. Approve the form of and authorize the execution and delivery of a Continuing Disclosure Agreement.
5. Approve the form of and authorize the execution and delivery of a Preliminary Official Statement and an Official Statement
6. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said refunding lease revenue bonds.

Estimated not to exceed par amount for the refunding bonds is:	\$206,170,000
Estimated par amount for the refunding bonds is:	\$161,230,000

APPROVED 5/0

BOND ITEM

BOND ITEM – 3b

**UNIVERSITY OF CALIFORNIA (6440)
LEASE REVENUE REFUNDING BONDS
VARIOUS COUNTIES**

Authority: Government Code §15840

Adopt a resolution to:

1. Authorize the sale of State Public Works Board Lease-Revenue Refunding Bonds, The Regents of the University of California, 2007 Series B, Various University of California Project.
2. Approve the form of and authorize the execution and delivery of the Second Amendment to the Facility Leases.
3. Approve the form of and authorize the execution and delivery of a Third Supplemental Indenture incorporating the above referenced refunding bonds into the Master Reserve.
4. Approve the form of and authorize the execution and delivery of the First Amendment to the Site Leases.
5. Approve the form of and authorize the execution and delivery of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the execution and delivery of a Preliminary Official Statement and an Official Statement.
7. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said refunding lease revenue bonds.

Estimated not to exceed par amount for the refunding bonds is:	\$59,425,000
Estimated par amount for the refunding bonds is:	\$46,650,000

APPROVED 5/0

BOND ITEM

BOND ITEM – 3c

**UNIVERSITY OF CALIFORNIA (6440)
LEASE REVENUE REFUNDING BONDS
VARIOUS COUNTIES**

Authority: Government Code §15840

Adopt a resolution to:

1. Authorize the sale of State Public Works Board Lease-Revenue Refunding Bonds, The Regents of the University of California, 2007 Series C, Various University of California Project.
2. Approve the form of and authorize the execution and delivery of amendments to the Facility Leases.
3. Approve the form of and authorize the execution and delivery of the Seventy Seventh Supplemental Indenture (supplementing the Master Indenture).
4. Approve the form of and authorize the execution and delivery of a Continuing Disclosure Agreement.
5. Approve the form of and authorize the execution and delivery of a Preliminary Official Statement and an Official Statement.
6. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said refunding lease revenue bonds.

Estimated not to exceed par amount for the refunding bonds is:	\$135,075,000
Estimated par amount for the refunding bonds is:	\$112,975,000

APPROVED 5/0

BOND ITEM

STAFF ANALYSIS ITEM – 3a, 3b, 3c

University of California
Lease Revenue Refunding Bonds
Various Counties

Action Requested

The requested actions will adopt three separate resolutions authorizing the issuance of Lease Revenue Refunding Bonds, for various University of California projects pursuant to the Board's Refunding Policy and as detailed in each resolution, approve the form of and authorizing execution of amendments to Site and Facility Leases, Supplemental Indentures, Preliminary Official Statement, Continuing Disclosure Agreements and other actions necessary to facilitate the financing.

Scope Description

For the refunding, the refunding bonds are to be issued pursuant to the SPWB's adopted refunding policy of March 15, 2004. Outstanding principal amount of the bonds that are candidates for refunding are listed in Exhibit A to the respective resolution.

It is the SPWB's practice to proceed with refinancings, which produce at least three percent net present value savings over the original financings. In some instances, this requirement is waived for a portion of the maturities within an issue if the balance of the maturities merit refinancing and it makes sense to refinance the entire issue. The issues proposed for refinancing will meet this general criteria at the time of financing, or the State Treasurer will defer sale until market conditions are more favorable.

2007 SERIES A REFUNDING BONDS:

The Board has previously issued several series of lease revenue bonds to finance or refinance 27 separate projects for the University of California ("Prior 1993A Bonds") on various campuses that are described in Appendix C to the draft Preliminary Official Statement. Pursuant to an Indenture dated as of August 1, 1993 the Board issued its 1993 Series A refunding bonds to provide for the advance refunding of a portion of the Prior 1993A Bonds. The subject 2007 Series A refunding bonds will refund a portion of the principal amounts outstanding of the 1993 Series A refunding bonds. The 2007A refunding bonds are secured by a reserve account other than the Master Indenture Reserve account.

The form of the Amendment to Facility Lease being presented to the Board in connection with the approval of the 2007 Series A Bonds will need to be modified for 14 of the leases to reflect that those Facility Leases secure bonds outstanding under more than one Indenture. Those 14 leases involve the following projects:

UC Berkeley – Doe and Moffitt Libraries Addition and Seismic Improvements, and Life Science Building Renovation (now called the Valley Life Sciences Building);

UC Davis Medical Center Intensive Care Unit Expansion, and Operating Room Expansion;

UC Davis – Engineering Unit 2;

UC Irvine Medical Center, Psychiatric Inpatient Facility;

UC Irvine – Engineering Unit 2, Science Library;

UC Los Angeles – Powell Library Seismic Renovation, and North Campus Interim Staging Facility;

UC Santa Barbara – Physical Sciences Building;

UC Santa Cruz – Earth and Marine Sciences Building;

UC San Diego Medical Center, Inpatient Tower Completion and Modernization; and

UC San Diego – Central Library Addition (now called “Geisel Library”), and Visual Arts Facility.

2007 SERIES B REFUNDING BONDS:

Pursuant to an indenture dated as of December 1, 1993 The Board has previously issued its 1993 Series B bonds to finance 6 separate University of California projects on various campuses. The 1993 Series B bonds were incorporated into the Master Indenture Reserve in 1994 and were partially refunded in 2001. The subject 2007 Series B refunding bonds will refund a portion of the principal amounts outstanding of the 1993B Series and will also be incorporated into the Master Indenture Reserve account.

2007 SERIES C REFUNDING BONDS:

The subject 2007 Series C refunding bonds, will refund all or part of the Board’s outstanding 1997 Series C bonds that were issued under the Master Indenture (pursuant to the 17th Supplemental Indenture) to finance 13 separate University of California projects on various campus.

The form of the Amendment to Facility Lease being presented to the Board in connection with the approval of the 2007 Series C Bonds related to the UC Berkeley – Doe and Moffitt Libraries Addition and Seismic Improvements projects will need to be modified to reflect that the Facility Lease secures bonds outstanding under more than one Indenture.

Staff Recommendation: Adopt the three resolutions

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CONSENT ITEM

CONSENT ITEM – 4

DEPARTMENT OF GENERAL SERVICES (1760)
JUDICIAL COUNCIL OF CALIFORNIA (0250)
NEW MAMMOTH LAKES COURTHOUSE
MONO COUNTY

JCC Parcel Number JCC508A, DGS Parcel Number 10460

Authority: Chapters 47 and 48/06, Item 0250-301-3037 (1.3)

Authorize site selection consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 4

Department of General Services
Judicial Council of California
New Mammoth Lakes Courthouse
Mono County

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The project provides for the site acquisition of property located in the Town of Mammoth Lakes (Town), Mono County (county) for purposes of constructing a new two-court courthouse. The property proposed for site selection is approximately two acres, and its location offers accessibility to neighboring Highway 395 and to downtown Mammoth Lakes. This preferred location site is currently being master planned as a governmental center by the Town for both the county and the Southern Mono Healthcare District. The property offers compatibility with (including amenities) from the future development situated immediately adjacent and the property will be in proximity to county-justice partners (e.g., Police).

The existing courthouse facility is deficient both functionally and physically, and the proposed site provides ample space for the project and any plans for the future expansion of three courtrooms and appropriate parking. Based on the site's suitability for the proposed courthouse, the Office of Court Construction and Management on behalf of the Judicial Council of California (JCC) presented to and received approval for Site Selection from the Interim Court Facilities Panel of the Judicial Council, and received approval by the JCC on June 30, 2006.

Funding and Cost Verification

This project is within cost. Chapters 47 and 48/06, Item 0250-301-3037 (1.3) provides funding for this acquisition of fee simple interest. The property can be acquired with funds available and in accordance with Legislative intent.

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code Section 21000-21177) and pursuant to Section 15063 of Title 14 of the California Code of Regulations, the JCC, acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future site acquisition application for the selected site.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is September 2007.

Condition of Property Statement

On January 26, 2007, the Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site inspection of the property for the proposed New Mammoth Lakes Courthouse. The entire parcel is approximately 10 acres, owned by the U. S. Forest Service. There is currently a proposed land exchange between the U. S. Forest Service and the Southern Mono Healthcare District (Mammoth Hospital). Upon the land transfer, approximately

two acres may be sold to the Administrative Office of the Courts for the proposed courthouse. This portion of the property is located in the northwest corner of the overall property, bounded by Highway 203, Main Street, to the north and Sierra Park Road to the west. A paved bike and cross-country ski trail with a bollard and trail signage indicating INF (Inyo National Forest) runs through the front portion of this property and continues east and west. A drainage ditch parallels Sierra Park Road and the subject property. The subject property is flat with a moderate stand of Jeffrey pine, about 30 to 50 feet tall, with sagebrush under story. There is some scattered trash throughout the two-acre property that should be cleaned up and there is currently about six-inches to one-foot of snow throughout the general area. There are dirt and snow berms on the property due to ongoing snow removal activities by Caltrans and the Mammoth Community Church (church) snow removal operations. The church is near the southeast corner of the subject property. A 499-gallon propane tank is located on a concrete pad to the west of the church. A dirt and gravel road accesses the church from the highway and is along the easterly boundary of the proposed courthouse property.

Power lines and poles run east to west through the center of the approximate 10-acre parcel. The southern end of the property slopes upward to the medical center and hospital. An RV (Recreational Vehicle) park is located to the east.

A Phase I Environmental Site Assessment was completed on the entire property (10.01 acres plus the road easement for a total area of 11.06 acres) which encompasses the proposed two-acre site. According to the Phase I Report (report), a hazardous spill of several five-gallon drums occurred on the southwestern corner of the overall 11.06-acre parcel in 2005. However, the spill did not occur on the proposed two-acre site. According to the report, the spill was collected and disposed of.

The report also identified the following: (1) the presence of the propane tank described above; (2) an on-site septic-sewer system used by the church, with the exact location unknown, which will be remediated by the current owners; (3) the presence of asbestos and lead-based paint in the church building. The church building described in the report is located outside of the proposed two-acre property and will be demolished in preparation for the construction of the courthouse, thereby removing any/all asbestos and lead-based paint materials; and (4) a 1,000 gallon, leaking underground storage tank (LUST) containing diesel located adjacent to the subject property. This LUST case has not been closed. JCC staff will evaluate the affects of the LUST on the subject property and ensure that any hazardous substances are properly removed and that the site receives final clearance prior to any actions taken for property acquisition.

Other:

- The proposed site meets the size, location, and compatibility requirements of the JCC.
- There is no relocation assistance involved with this project.
- The purchase price shall not exceed estimated fair-market value as determined by a DGS approved appraisal.
- There is no implied dedication involved with this project.

Staff Recommendation: Authorize site selection

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CONSENT ITEM

CONSENT ITEM – 5

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF THE CALIFORNIA HIGHWAY PATROL (2720)
OAKHURST: REPLACEMENT FACILITY
MADERA COUNTY
CHP503A DGS Parcel Nos. 10432

Authority: Chapters 47 and 48/06, Item 2720-301-0044 (2)

Authorize site selection consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 5

Department of General Services
California Highway Patrol
Oakhurst: Replacement Facility
Madera County

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. This request will authorize the Department of General Services (DGS) to acquire 2.10 acres of land located at the northwest corner of Highway 49 and Redbud Drive in the City of Oakhurst, County of Madera, on behalf of the California Highway Patrol (CHP). This acquisition will provide a site for the construction of a 9,762 assignable square foot (asf) facility with an automotive repair bay. The project also includes the construction of a communications tower, parking spaces for autos and motorcycles, and a fuel island with a 12,000 gallon above-ground storage tank.

Funding and Cost Verification

This project is within cost. Chapters 47 and 48/06, Item 2720-301-0044 (2) provides a total of \$1,059,000 in acquisition (\$645,000) and preliminary plans (\$414,000) for this project. The property can be acquired with the funds available and in accordance with legislative intent.

CEQA

A CEQA determination will be completed prior to acquisition authorization.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is December 2007.

Condition of Property

On October 2, 2006, as part of a general reconnaissance to locate properties for possible acquisition for a CHP Facility in the Oakhurst community, Environmental Services Section staff visited a 2 acre parcel on the northwest corner of Redbud Road and Highway 49.

The Assessor's Parcel Number for the property is 064-150-033. The property is essentially undeveloped and undisturbed, but is surrounded by Highway 49 on the east, Redbud Road on the South, undeveloped property on the north, and a housing subdivision on the west. The property is representative of Sierra foothills habitat with scattered Interior Live Oaks, native and non-native grassland, and an ephemeral stream on the extreme northerly portion of the property. During the site visit no negative environmental or hazardous conditions were observed. However, because of the developed surrounding uses in the immediate area, it is recommended that a Phase 1 Environmental Site Assessment be conducted to ensure the property would be compatible with its proposed use.

Other

- This property consists largely of grassland and scattered mature live oaks.
- The purchase price will not exceed the estimated fair market value as determined by an appraisal reviewed by DGS.
- There is no implied dedication applicable to this property.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- All utilities are available at the site.
- Upon site selection authorization, a Phase 1 Environmental Site Assessment will be requested.

Staff Recommendation: Authorize site selection

CONSENT ITEM

CONSENT ITEM – 6

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
ANTELOPE VALLEY INDIAN MUSEUM STATE HISTORIC PARK, TAX DEFAULT
AGREEMENT #2520
LOS ANGELES COUNTY
DPR Parcel Number 13354, DGS Parcel Number 10457

*Authority: Chapter 157/03, Item 3790-301-6029(10)
as reappropriated by Chapters 47 and 48/06, Item 3790-491*

Authorize acquisition consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 6

Department of General Services

Department of Parks and Recreation

Antelope Valley Indian Museum State Historic Park, Tax Default Agreement #2520

Los Angeles County

Action Requested

The requested action will authorize acquisition for this project.

Scope Description

This project is within scope. This request will authorize the acquisition of a tax delinquent parcel of approximately 10 acres in the County of Los Angeles. The subject property is an in-holding in the Antelope Valley Indian Museum State Historic Park (SHP), and is situated on the western boundary of the park. Acquisition of this property by means of a tax delinquent sale represents an opportune means of acquiring additional properties for the State Park System.

This property is being acquired pursuant to the guidelines established by Proposition 40: Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Fund, which provides funding for opportunity purchases of property as additions to the State Park System without identifying specific parcels. The acquisition also meets the Department of Parks and Recreation's (DPR) acquisition guidelines for the acquisition of unique natural resource areas and in-holdings. The subject property will be utilized for the preservation of the viewshed and archaeological resources as an addition to the western boundary of the SHP.

Funding and Cost Verification

This project is within cost. Chapter 157/03, Item 3790-301-6029(10), as reappropriated by Chapters 47 and 48/06, Item 3790-491, provides for the acquisition and overhead funding for this project. The balance of the appropriation is sufficient to acquire the subject property in accordance with legislative intent.

\$15,000 total authorized project costs

\$15,000 total estimated project costs

\$7,000 project costs previously allocated: Department of General Services (DGS) staff costs for appraisal review, staff review and environmental services

\$8,000 project costs to be allocated: Acquisition costs (tax delinquent, no title and escrow costs)

CEQA

A Notice of Exemption/Determination was filed with the State Clearinghouse on January 10, 2007 and the waiting period expired on February 14, 2007.

Project Schedule

The project schedule is as follows:

The anticipated date of acquisition is March 2007.

Condition of Property

On Monday, January 8, 2007, DGS Environmental Services Section (ESS) staff conducted a Condition of Property site survey for 10 acres of property adjoining the Antelope Valley Indian Museum State Historic Park. Accompanying DGS/ESS staff was a DPR Senior Planner. The property is a tax default parcel adjoining the subject SHP and has many of the physical characteristics of the existing park. The property is 10 acres in size, with scattered Joshua trees and creosote bushes. It abuts up to a granite rock outcropping on the existing SHP. The property was in essentially pristine condition with the exception of a crushed late model car, which has since been removed. No other environmental concerns were noted. A Phase 1 Environmental Site Assessment is not recommended.

Other:

- The specified parcel is held in title by the County of Los Angeles, in consideration of delinquent property taxes, shall be transferred to the State.
- The purchase price does not exceed estimated fair market value as determined by a DGS approved appraisal.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- The DPR is not aware of any lawsuits pending concerning the property.
- Acquisition of this property requires the State to dedicate the property for public use.
- The Agreement to Purchase Los Angeles County Tax Defaulted Property dated June 20, 2006 stipulates that the subject property will be used for open space and resource preservation.
- The County of Los Angeles conveys title to the property free of all encumbrances of any kind existing before the acquisition, in accordance with the provisions of Division 1, Part 6, Chapter 8 of the California Revenue and Taxation Code.
- A Policy of Title Insurance is not obtainable for this transaction.
- An abandoned car was found on the property during the DGS/ESS site visit. The car was removed in January 2007 by the Los Angeles County Sheriff Department at no cost to the State.
- While the DPR does not foresee changes at this time to public access, development, or resource needs, any such changes will be addressed through the normal budget process.

Staff Recommendation: Authorize acquisition

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CONSENT ITEM

CONSENT ITEM – 7

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
**BIDWELL-SACRAMENTO RIVER STATE PARK, BEARD ACQUISITION (IRVINE FINCH
RIVER ACCESS AREA)**
GLENN COUNTY
DPR Project Number 3353, DGS Parcel Number 10455

*Authority: Chapter 157/03, Item 3790-301-6029(10),
as reappropriated by Chapters 47 and 48/06, Item 3790-491
Public Resources Code 5005
Government Code 11005*

**Authorize the acquisition of real property through the acceptance of a no cost
acquisition consistent with the staff analysis**

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 7

Department of General Services

Department of Parks and Recreation

Bidwell-Sacramento River State Park, Beard Acquisition (Irvine Finch River Access Area)

Sacramento County

Action Requested

The requested action will authorize the acquisition of real property through the acceptance of a no cost acquisition for this project.

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (DPR) to accept a no-cost acquisition of 20 acres of undeveloped land situated south and contiguous to DPR's Irvine Finch River Access Area State Park. Acceptance of this property will serve as an addition to the Bidwell-Sacramento River State Park, and provide opportunities for habitat restoration, river access and possible recreation use.

The Grantor, River Partners, acquired the property with grant funds from the Wildlife Conservation Board (WCB). To assure that the long-term conservation purpose of this gifted property is maintained, the WCB and the Grantor entered into an agreement whereby the property's use is restricted to purposes of wildlife habitat preservation, restoration and management, wildlife-oriented education and research, as well as, compatible public use consistent with wildlife habitat preservation. This use restriction requirement will remain in effect to the property's successors in accordance with the provisions contained in a Notice of Unrecorded Grant Agreement recorded in the official records of Glenn County. The Agreement's provisions are consistent with the DPR's ongoing commitment in its efforts to preserve and expand the State's natural resources.

The Public Resources Code, Section 5005 allows the DPR to receive and accept in the name of the people of the State any gift, dedication, devise, grant, or other conveyance of title to or any interest in real property, including water rights, roads, trails, and rights-of-way, to be added to or used in connection with the State Park System. It may receive and accept gifts, donations, contributions, or bequests of money to be used in acquiring title to or any interest in real property, or in improving it as a part of or in connection with the State Park System, or to be used for any of the purposes for which the department is created. It may also receive and accept personal property for any purpose connected with the State Park System.

Funding and Cost Verification

This project is within cost. Chapter 157/03, Item 3790-301-6029(10), as reappropriated by Chapters 47 and 48/06, Item 3790-491, provides a total of \$35,000,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient for overhead costs (e.g., title and escrow fees and Department of General Services (DGS) staff time to conduct due diligence) of the subject property in accordance with legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on January 2, 2007, and the 35-day statute of limitations period expired on February 6, 2007.

Project Schedule

The project schedule is as follows:

The anticipated acquisition is March 2007.

Condition of Property

The Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the Bidwell Sacramento River – Beard Orchard property on December 29, 2006. The property consists of a walnut orchard and riparian land located directly west of the Sacramento River. The acquisition consists of approximately 20 acres of agricultural/orchard land located at Highway 32 along the Sacramento River in Hamilton City, Glenn County, California. The DPR's Irvine Finch River Access property is directly north of the subject property. There is a dirt road on the west side of the property. A sand bagged levee with plastic sheeting runs along the easterly portion of the property, about fifty feet west of the Sacramento River. Power lines and utility poles also parallel the river and the levee.

Within the property there are several scattered pieces of four inch PVC pipe that should be removed. Much of the plastic sheeting on the levee has deteriorated into smaller scattered pieces and blown off the levee and these pieces should be cleaned up and removed. Near the levee there is also a stack of metal irrigation pipe, three ten foot pieces of 8 inch pipe, three wood pallets, two pieces of six inch flexible pipe and a two gallon container half full of fluid by a pump. These items should be addressed during the acquisition process. Near the southeast corner of the property there is an eighty-five foot by twenty-five foot slash pile, primarily tree limbs that also needs to be addressed. There is also a small tire in the area near the river that should be removed.

No other potential problems with hazardous materials, e.g., ground and /or vegetation staining was observed during the ESS site visit and the property is compatible with the proposed future use as an addition to the state park system.

Other:

- The property acquisition agreement will require delivery of title of the property free and clear of any mortgages or liens.
- The deed will deliver clear title to the property subject to easements of record.
- The DPR is not aware of any lawsuits pending concerning the property.
- The property is vacant and unimproved and there is no relocation assistance involved with this project.
- The property was initially purchased with the assistance of grant funding in the amount of \$400,000 pursuant to Chapter, 4, Division 2 (commencing with Section 1300) of the California Fish and Game Code. A Notice of Unrecorded Grant Agreement (Agreement) restricts the sale or exchange of the property and does not allow the property to be used as security for any debt without the written approval of the State, acting through the Executive Director of the Wildlife Conservation Board, or its successors. If the property is not used, operated, maintained or managed according to the Agreement, the then property owner will be required to correct any defaults under the Agreement within 90-days. If after the 90-days, the violation remains uncorrected then one of two remedies will be implemented:
 1. The WCB will be reimbursed in the amount of \$400,000, together with interest compounded semi-annually at a rate earned on time deposits in the State's Pooled Money Investment Account; or
 2. Conveyance of a conservation easement in favor of the State or other qualified non-profit organization, together with a sum, when combined with the fair market value of the conservation easement, equals the sum pursuant to the Agreement, together with interest payable at a rate equivalent to the State's Pooled Money Investment Account.

- The acquisition of this property requires that DPR conform to the provisions of a Memorandum of Understanding between the U.S. Fish and Wildlife Service, the California Department of Fish and Game and DPR regarding the Sacramento River Wildlife Area (MOU). The MOU requires:
 - A mutual agreement to manage, monitor, restore and enhance lands managed for fish, wildlife, and plants along the Sacramento River in Tehama, Butte, Glenn and Colusa counties.
 - To communicate between the agencies on a regular basis to prevent a duplication or prescription of conflicting land management and acquisition efforts.
 - Coordinates public use opportunities to ensure that they are consistent with the goals and needs of the respective agencies and the public.
 - Standardizes the collection of any data/surveys to strengthen study results with respect to threatened or endangered species.
 - Coordinate permits that could benefit the agencies.
 - Termination of the MOU is either upon mutual agreement or upon a six months written notice by either agency.
- The Beard property is subject to mineral interest reservations covering all oil, gas, other hydrocarbons and minerals to include surface rights of entry. The Department of Conservation, Division of Oil, Gas and Geothermal Resources, indicates that the property is on the edge of a gas field with gas wells in the area. There are no gas wells on the site, but the property has a potential for natural gas production and exploration in the area. The DPR acknowledges this potential, however, is willing to accept the property subject to the mineral reservations. The DPR maintains that the acceptance of the property will not affect/impair DPR's use of the property.
- DGS/ESS cited several pieces of scattered pvc piping, pipes and miscellaneous debris on the site. The Grantor has agreed to remove the debris prior to the close of escrow.
- The 20-acre Beard Orchard property is a no-cost transfer and is located adjacent to the Bidwell-Sacramento River State Park (Irvine Finch River Access Area). The DPR will provide patrol with existing staff to this property. It is anticipated that minimal operating expenses will be required with this transfer and can be absorbed with existing resources.
- Any changes to public access, use, development, resources or habitat protection will be addressed through the normal budget process.
- Pursuant to Government Code Section 11005, gifts of real property in fee must be approved by the Director of the Department of Finance. In addition, administrative policy requires that departments requesting the approval of gifts of real property first obtain approval from the PWB.

Staff Recommendation: **Authorize the acquisition of real property through acceptance of a no cost acquisition**

CONSENT ITEM

CONSENT ITEM – 8

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
COLUSA-SACRAMENTO RIVER STATE RECREATION AREA, GAINES ORCHARD
COLUSA COUNTY
DPR Project Number 6524, DGS Parcel Number 10447

*Authority: Chapter 157/03, Item 3790-301-6029(10),
as reappropriated by Chapters 47 and 48/06, Item 3790-491
Public Resources Code 5005
Government Code 11005*

Authorize the acquisition of real property through the acceptance of a no-cost acquisition consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 8

Department of General Services
Department of Parks and Recreation
Colusa-Sacramento River State Recreation Area, Gaines Orchard
Colusa County

Action Requested

The action requested will authorize acquisition of real property through the acceptance of a no-cost acquisition.

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (DPR) to accept a no-cost acquisition of approximately 37 acres of undeveloped land currently used as a walnut orchard known as the Gaines Orchard. The subject property is situated midway between two DPR river campgrounds known as the Colusa-Sacramento River State Recreation Area and Irvine Finch River Access at the Bidwell-Sacramento River State Park. The property will be an addition to the Colusa-Sacramento River State Recreation Area.

The Grantor, River Partners, acquired the property with grant funds from the California Wildlife Conservation Board (WCB) and entered into a grant agreement ("Agreement") whereby the property's use is restricted for the purposes of wildlife habitat preservation, restoration and management, wildlife-oriented education and research, and for compatible public use consistent with wildlife habitat preservation.

The Public Resources Code, Section 5005 allows the DPR to receive and accept in the name of the people of the State any gift, dedication, devise, grant, or other conveyance of title to or any interest in real property, including water rights, roads, trails, and rights-of-way, to be added to or used in connection with the State Park System. It may receive and accept gifts, donations, contributions, or bequests of money to be used in acquiring title to or any interest in real property, or in improving it as a part of or in connection with the State Park System, or to be used for any of the purposes for which the department is created. It may also receive and accept personal property for any purpose connected with the State Park System.

Funding and Cost Verification

This project is within cost. Chapter 157/03, Item 3790-301-6029(10), as reappropriated by Chapters 47 and 48/06, Item 3790-491, provides a total of \$35,000,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient for overhead costs (e.g., title and escrow fees and Department of General Services (DGS) staff time to conduct due diligence) of the subject property in accordance with legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearing House on January 2, 2007, and the 35-day statute of limitations expired on February 6, 2007.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is March 2007.

Condition of Property

The Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the Colusa Sacramento Gaines Orchard property on December 29, 2006. The property consists of a walnut orchard and riparian land located directly west of the Sacramento River. The acquisition consists of approximately 37 acres, assessor parcel numbers 013-180-049-9 and 016-060-013-0, located along the Sacramento River in Butte City, Glenn County, California. A dirt road is located on the westerly side of the "North Orchard". The Highway 162 bridge separates the "North Orchard" from the "South Orchard", the "South Habitat", and the "Slough Habitat". There is a walnut orchard to the west of the "South Orchard" and "Slough Habitat". Power lines and power poles run across the Sacramento River and onto the "South Habitat". The "South Habitat" and the "Slough habitat" are riparian areas with dense vegetation that makes access very difficult. Along the "North Habitat" there is major river revetment to control river bank erosion. Along the river bank on the "North Orchard" and "South Orchard" there are two six inch sections of PVC pipe, about 25 feet long on the north side, and about 60 feet long on the south side, that protrude from the river bank. It is not known what function these two pipes may serve. The "South Orchard" also has more extensive river bank erosion as about 12 walnut trees have fallen down along the river bank.

Within the "North Orchard" there is a 25 foot long four inch metal pipe in a walnut tree that should be removed. There are also several pieces of six inch PVC pipe and fittings that should be removed. Within the "South Habitat" near the northwest corner of the property by a power pole and utility meter is a pump on a concrete slab. There are four plastic containers that contained agricultural related materials that should be removed.

No other potential problems with hazardous materials, e.g., ground and /or vegetation staining was observed during the ESS site visit and the property is compatible with the proposed future use as an addition to the state park system.

Other:

- The property is vacant and unimproved and there is no relocation assistance involved with this project.
- The DPR is not aware of any lawsuits pending concerning the property.
- The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The property was initially purchased with the assistance of grant funding in the amount of \$240,000 from the WCB pursuant to Chapter, 4, Division 2 (commencing with Section 1300) of the California Fish and Game Code. A Notice of Unrecorded Grant Agreement restricts the sale or exchange of the property and does not allow the property to be used as security for any debt without the written approval of the State, acting through the Executive Director of the Wildlife Conservation Board, or its successors. If the property is not used, operated, maintained or managed according to the Grant Agreement, the property owner will be required to correct any defaults under the Agreement within 90-days. If after the 90-days, the violation remains uncorrected then one of two remedies will be implemented:
 1. The WCB will be reimbursed in the amount of \$240,000, together with interest compounded semi-annually at a rate earned on time deposits in the State's Pooled Money Investment Account; or
 2. Conveyance of a conservation easement in favor of the State or other qualified non-profit organization, together with a sum, when combined with the fair market value of the conservation easement, equals the sum pursuant to the Agreement, together with interest payable at a rate equivalent to the State's Pooled Money Investment Account.

- The Gaines property is subject to an undivided one-half interest in all oil, gas, other hydrocarbons and minerals to include surface rights of entry on the property. However, a review of the records of the Department of Conservation, Division of Oil, Gas and Geothermal Resources, indicates that the property is on the edge of a gas field with gas wells all around the area. There are no gas wells on the site but the property has a potential for natural gas production and exploration in the area. The DPR acknowledges this potential; however, it is willing to accept the property subject to the mineral reservations because it will not affect or impair their use of the property.
- There is a 2001 Memorandum of Understanding between the United States Fish & Wildlife Service, Department of Fish and Game and DPR defining mutual acquisition, management and provision of public use opportunities on lands along the Sacramento River. An additional purpose is to communicate between agencies regularly to prevent duplicating or conflicting land management and acquisition efforts.
- The property owner has agreed to remove the debris cited in the condition of property statement prior to close of escrow.
- Any changes to public access, use, development, resources or habitat protection will be addressed through the normal budget process.
- Pursuant to Government Code Section 11005, gifts of real property in fee must be approved by the Director of the Department of Finance. In addition, administrative policy requires that departments requesting the approval of gifts of real property first obtain approval from the PWB.

Staff Recommendation: Authorize the acquisition of real property through acceptance of a no-cost acquisition

CONSENT ITEM

CONSENT ITEM – 9

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
HENRY COWELL REDWOODS STATE PARK, COWELL FOUNDATION (SAVE-THE-
REDWOODS LEAGUE)
SANTA CRUZ COUNTY
DPR Parcel Number 003254-77, DGS Parcel Number 10444

*Authority: Chapter 157/03, Item 3790-301-6029(10),
as reappropriated by Chapter 47 and 48/06, Item 3790-491
Chapters 38 and 39/05, Item 3790-301-0890(1)*

Authorize acquisition consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 9

Department of General Services
Department of Parks and Recreation
Henry Cowell Redwoods State Park – Cowell Foundation, Save-the-Redwoods League
Santa Cruz County

Action requested

The requested action will authorize acquisition for this project.

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (DPR) to acquire approximately 307 acres of land adjacent to the Henry Cowell Redwoods State Park at less than the property's fair market value.

The acquisition of this property will assist the DPR in fulfilling two important missions: adding an important piece of land to Henry Cowell Redwoods State Park that will connect the main portion of the park with a smaller branch along the San Lorenzo River; and, contribute both to the long-term preservation of sustainable redwood forest ecosystems and to the health of the San Lorenzo River watershed while providing compatible recreational opportunities for the public.

Funding and Cost Verification

This project is within cost. Chapter 157/03, Item 3790-301-6029(10), as reappropriated by Chapters 47 and 48/06, Item 3790-491, provides a total of \$35,000,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient to acquire the subject property in accordance with legislative intent. Chapters 38 and 39, Item 3790-301-0890(1), provides \$5,000,000 in Federal Trust Fund monies for property acquisitions consistent with funding availability and in accordance with legislative intent.

\$920,000 total authorized project costs

\$920,000 total estimated project costs

\$10,000 project costs previously allocated: DGS staff costs for appraisal review and acquisition review

\$910,000 project costs to be allocated: \$900,000 for acquisition and approximately \$10,000 for overhead and title and escrow fees

CEQA

A Notice of Exemption was filed with the State Clearinghouse on December 22, 2006, and the 35-day statute of limitations period expired on January 26, 2007.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is March 2007.

Condition of Property

On May 25, 2006, Department of General Services (DGS), Environmental Services Section staff (ESS) conducted a site survey of the proposed acquisition of approximately 307 acres of land situated southwest of Henry Cowell Redwoods State Park in Santa Cruz County. The objective of the proposed acquisition is to provide for additional recreation area and secure a substantial addition of environmentally sensitive Zayante Sand formation forest and chaparral habitat. The subject property is directly adjacent to the existing State park.

The proposed addition consists of a mosaic of old growth forest land (redwoods, knobcone pine, Ponderosa pine, etc.) and chaparral (Bonny Doon manzanita, coast live oak, etc.). The combined habitat is considered of significant ecological value because there are few intact examples of Zayante Sand habitat. This habitat is reported to support a variety of sensitive plants related to the area's fine sandy soil and endangered insects.

While the addition contains no structures, formal roads, infrastructure (pipelines, transmission lines, etc.), or other significant improvements there is evidence of limited disturbance. This includes (1) a few trails/pathways that transect the property, (2) a few pipes that were used for a percolation test and (3) an area used as an informal firing range. There is also limited evidence of homeless camps at the edge of one corner of the parcel.

The remnants of the roads are of no long-term concern. While erosion is occurring in the sandy substrate, these pathways provide limited access into the property for inspection, recreational use, and habitat monitoring. Most have nearly grown over with native vegetation. The remains of a percolation test does not pose a liability or long-term hazard since they are simply sand-filled pipes driven into the soil as part of a geotechnical analysis conducted many years ago.

Since they are filled with sand, the pipes (there are four; they stand about one-three feet above the ground level) do not provide a unique pathway for contamination to the underlying soil.

Because of the presence of the informal firing range, which consists of a cut-bank about twenty feet high at the end of a small landing, a formal Phase I Preliminary Site Assessment was prepared for the proposed acquisition. Extensive research into the history of the range concluded it was used on an infrequent, casual basis by local law enforcement agencies. This use ended several years ago.

While the site assessment concluded the property does not contain any hazards or hazardous conditions of note, it is acknowledged the range area is likely to contain some amount of lead-bullet residue. It was not possible to test for lead in the cut-bank of the firing range because of a concern for the presence of endangered Mount Herman June bugs in the soil. The assessment assumed the impact area of the cut-bank does contain limited amounts of lead from small arms (pistols, rifles, shotguns, etc.); however, given the property will be acquired to preserve an important example of ecologically sensitive habitat there will be little, if any, risk to the public of exposure to this material. At this point a significant portion of the range has grown over with native plants; the elevation of the range prevents the lead from being in a saturated environment. ESS staff believes the remnants of this range do not pose a long-term liability to the State.

DGS ESS staff conducted a pre-acquisition survey of the proposed Graham Hill Road addition to Henry Cowell Redwoods State Park in Santa Cruz County. Earlier surveys of this property identified the need to remove an abandoned automobile and abate the debris associated with 3-4 homeless camps on the eastern and southeastern edge of the parcel.

A survey conducted by ESS staff on February 8, 2007, revealed that the abandoned automobile and two of the larger debris scatters had been removed in conformance with an earlier agreement with Save-the-Redwoods League (League). The survey revealed, however, that one camp had been overlooked (due to very dense vegetation), and some new materials had been left at a former camp site. The subject debris is a combination of common household materials, scrap wood, and tarps; none of the remaining materials contain hazardous or waste or petroleum products. The survey also confirmed that the former garden sites associated with the homeless camps had been cleared of related materials (water and plant containers, fertilizer, bedding materials, etc.) and that none of these sites had been re-activated.

An agreement has been reached with the League that the remaining debris will be removed prior to the close of escrow. State ownership of this parcel should prevent re-establishment of these camps because of the greater security that will be provided by the District's ranger patrols.

There are no other environmental due diligence concerns with the acquisition of the Graham Hill Road parcel.

Other

- This project was approved for site selection by the State Public Works Board on January 12, 2007.
- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- The property acquisition agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.

- The non-profit organization Save-the-Redwoods League (SRL), has offered to sell this property to the State at a 36 percent of the fair market value approved by the DGS, with the condition that a use restriction agreement be recorded requiring the State to use the property for state park purposes. The Agreement provides for the use restriction to be lifted if either of two actions occur: (1) The Legislature makes a finding that all or part of the property is in excess of the State's foreseeable needs and therefore, authorizes the sale of the property; or (2) The State Public Works Board recommends that a transfer of the property to another State agency is necessary for a higher and better public purpose. If the use restriction is removed in either of these events, DPR will be required to pay 64 percent of the, then, current market value of the property to SRL, or 64 percent of the pro rata value of the portion thereof that is designated for alternative use at the time, excluding the value of any State improvements.
- This property is being purchased through a grant from the Federal Land and Water Conservation Fund. The federal funds will be deposited into the Federal Trust Fund for the purchase of the land. Overhead for the project will be funded from Proposition 40.
- The Land and Water Conservation Fund grant requires that the property be used for public park purposes. In order to convert the property to non-park purposes, the State would have to identify substitute park lands of an equal or greater fair market value and recreational utility.
- The Property Acquisition Agreement does not include the State's standard indemnification language, potentially exposing the State to additional fiscal liability; however, the DGS, ESS site visit of the property did not identify conditions that would likely pose an exceptional risk to the State. Further, given the fact that the property is largely unimproved natural habitat, the risk associated with acquiring this property without the standard indemnification language does not relieve the seller of liability under existing law.
- This acquisition is adjacent to the existing Henry Cowell Redwoods State Park. The property is ancient sand dunes property that contains listed and potentially listed endangered plant and animal species. The DPR will redirect existing staff and operating expenses to provide patrol of this acquisition and to control unauthorized use and protect the sensitive nature of the property.
- While the DPR does not foresee changes at this time to public access, development, or resource needs, any such changes will be addressed through the normal budget process.

Staff Recommendation: Authorize acquisition

CONSENT ITEM

CONSENT ITEM – 10

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
MARSHALL GOLD DISCOVERY STATE HISTORIC PARK, MT. MURPHY (PHASE II)
EL DORADO COUNTY
DGS Parcel Number 10449, DPR Parcel Number 3351-77

*Authority: Chapter 157/03, Item 3790-301-6029(10),
as reappropriated by Chapters 47 and 48/06, Item 3790-491
Public Resources Code 5005
Government Code 11005*

Authorize acquisition of real property through the acceptance of a no cost acquisition consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 10

Department of General Services
Department of Parks and Recreation
Marshall Gold Discovery State Historic Park, Mount Murphy (Phase II)
El Dorado County

Action requested

The requested action will authorize acquisition of real property through the acceptance of a no cost acquisition for this project.

Scope Description

This project is within scope. This request will authorize the acquisition of approximately 20 acres for the preservation of the view-shed as an addition to the Marshall Gold Discovery State Historic Park (SHP) near Coloma, in the County of El Dorado. The subject property was originally part of 246 acres owned by The Trust for Public Land (TPL), and identified as a portion of APN 006-011-73. The State acquired 226 acres from TPL on July 6, 2006 for \$1,243,000.00. The remaining 20 acres is a legal, separate parcel and has been purchased by the American River Conservancy who will transfer the property to the Department of Parks and Recreation (DPR) as a gift. The property is located northeast of the SHP, on the north side of the South Fork American River.

The Mount Murphy property includes Mt. Murphy, a 1,929 foot peak situated prominently across the South Fork American River from Marshall Gold Discovery SHP. This project is significant because the acquisition of this undeveloped property will serve to provide public protection of

this prominent historic view-shed and continue the DPR's efforts to conserve, expand and protect the State's natural and cultural resources.

Funding and Cost Verification

This project is within cost. Chapter 157/03, Item 3790-301-6029 (10), as reappropriated by Chapters 47 and 48/06, Item 3790-491, provides a total of \$35,000,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient for overhead costs (e.g., title and escrow fees and Department of General Services (DGS) staff time to conduct due diligence) of the subject property (\$5,000) in accordance with legislative intent.

Section 5005 of the Public Resources Code allows the DPR to receive and accept in the name of the people of the State, any gift, dedication, devise, grant, or other conveyance of title to or any interest in real property, including water rights, roads, trails and rights-of-way, to be added to or used in connection with the State Park System. It may receive and accept gifts, donations, contributions, or bequests of money to be used in acquiring title to or any interest in real property, or in improving it as a part of or in connection with the State Park System, or to be used for any of the purposes for which the department is created. It may also receive and accept personal property for any purpose connected with the State Park System.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on May 12, 2006, and the 35-day statute of limitations expired on June 16, 2006.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is March 2007.

Condition of Property

The DGS Environmental Service Section staff conducted a property inspection of the 246-acre Mt. Murphy property (including this 20 acre acquisition), located in El Dorado County on April 17, 2006. The subject property, consisting of two contiguous parcels is located in Coloma east of the American River. The Johnstown and Dutch creeks run near the easterly and southerly portions of the property and the property is evidenced by corner property markers on the Southwest, Southeast, and Northwest corners.

The subject property is relatively flat at the mountain top with an approximate elevation of 1,929 feet. The property provides an outstanding view of the surrounding area, and distinguished by a moderate to steep slope on the easterly, southerly, and westerly portions.

From a vantage point west of the American River, a small landslide was noted on the subject property. The small landslide on the southwest facing slope occurred during a winter storm event. The volume of rain sustained over a short period of time caused an estimated 100 to 150 cubic yards of soil movement. The slide followed a water course and crossed a county road, and the material was subsequently removed. It is believed that the slide was a natural process, with no long lasting damage and little cause for future concern. There are several ditches located on southern slopes that were used to convey water to adjoining lands however; these ditches were not directly observed.

Cultural resources observed include the remaining stone walls of "Murphy's Fort". Historical uses of the property include fruit growing and cattle grazing. Vegetation consists of blue oak, grey pine, buckeye, and poison oak along with soap root, blue dick, and fiddle neck, and grasses. Wildlife observed included numerous turkeys and deer and turkey vultures. The

property is fenced, but no cattle were on the property at this time. An old bathtub basin used as a water trough for the cattle was observed on the westerly side of the property.

No adverse property impacts were observed other than an area of dead vegetation about 100 feet long and six feet wide that the owner indicated had been sprayed with Roundup to discourage thistle growth as apparently this general area may be used by the owners for walking. No previous mining activity was observed. The MINEFILE AND MISFILES databases of the U. S. Bureau of Mines do not show any mine or prospecting within the subject property.

Other:

- The DPR is not aware of any lawsuits pending concerning the property.
- The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The property is vacant and unimproved and there is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- The American River Conservancy purchased the 20 acres from The Trust for Public Land through a grant from The State Resources Agency. This agency provided \$2,360,000 through the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) for the acquisition of parcels along the South Fork American River for the protection of water quality, wildlife habitat and to provide public access to the river near the towns of Coloma and Lotus.
- A survey was conducted of the entire 246-acre Mt. Murphy property (Phase 1 & 2), when Laurence Mancuso sold the acreage. As a result of that survey, it was determined that approximately 800 feet of existing cattle fence along the northwest corner encroached onto the property by as much as 150 feet over the property line. In order to correct this issue, a new fence was installed along the boundary line in February 2007. The single adjoining property owner affected by the new fence-line initially objected to the installation, but a review of the owners' deed description only served to confirm that the existing fence location was in error.
- This proposed acquisition is adjacent to the existing Marshall Gold Discovery State Historic Park. The acquisition will maintain and preserve the view shed of the existing State Park.
- The property is predominantly fenced off to prevent public access. Existing DPR staff will provide routine periodic visual patrols using public roads and existing DPR property. As such, no additional support needs are anticipated with the acquisition of this property.
- While the DPR does not foresee changes at this time to public access, development, or resource needs, any such changes will be addressed through the normal budget process.
- Pursuant to Government Code Section 11005, gifts of real property in fee must be approved by the Director of the Department of Finance. In addition, administrative policy requires that departments requesting the approval of gifts of real property first obtain approval from the PWB.

Staff Recommendation: Authorize acquisition

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CONSENT ITEM

CONSENT ITEM – 11

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
MOUNT DIABLO STATE PARK, MORGAN RED CORRAL
CONTRA COSTA COUNTY
DPR Parcel No. 3290, DGS Parcel No. 10458

Authority: Chapters 38 and 39/05, Item 3790-301-6029(5)

Authorize site selection consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 11

Department of General Services
Department of Parks and Recreation
Mount Diablo State Park, Morgan Red Corral
Contra Costa County

Action requested

The requested action will authorize site selection for this project.

Scope

This project is within scope. This request will authorize site selection of approximately 20.05 acres contiguous to the existing Mount Diablo State Park. The acquisition will help fulfill two of the Department of Parks and Recreation's (DPR) objectives: acquiring adjacent parcels as they become available and expanding outdoor recreational opportunities.

Funding and Cost Verification

This project is within cost. Chapters 38 and 39/05, Item 3790-301-6029(5), provides \$1,500,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient to acquire the subject property in accordance with legislative intent.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April/May 2007.

CEQA

The CEQA notice was filed on December 18, 2006 and 35-day waiting period expired on January 22, 2007.

Condition of Property

Department of General Services, Environmental Services Section (ESS) staff conducted a site visit to the Mr. Diablo State Park, Morgan Red Corral property on November 30, 2006. The property, assessor's parcel number 080-100-005-0, consists of approximately 20.05 acres of oak woodland and grass land with fairly flat ground adjacent to Morgan Territory Road to the west and sloping hillsides to the east. Plant species include oak species, grasses, and Sycamore trees. An ephemeral drainage, Marsh Creek, runs through the property. A small portion of the steep bank above the stream is eroding, but this appears to be a natural process. There is also a dirt road that goes through the property. Barbed wire fencing runs along the property lines and within the property. A water well and corral are located on the property near the road and are used to corral cattle that graze on nearby properties in the area. There is some discarded lumber and firewood stacked by the corral and these items should be removed. A 30-acre improved private parcel is to the east of the subject property. Across Morgan Territory Road is a trailhead that accesses Mt. Diablo State Park, to the west.

No potential problems with hazardous materials, e.g., ground and/or vegetation staining was observed during the ESS site visit and the property is compatible with the proposed future use as an addition to the Mt. Diablo State Park.

Other

- The property consists largely of oak woodland and grasslands.
- The purchase price shall not exceed the fair market value of the property, as determined by DGS.
- There is no implied dedication applicable to this property.
- The property is vacant. It is improved with a water well and cattle corral.
- There is no relocation assistance involved with this property
- The DPR is not aware of any lawsuits pending concerning the property. The Purchase Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The 20.05-acre Morgan Red Corral acquisition is contiguous to the existing Mount Diablo State Park on its eastern boundary. Primary access to the property is provided via frontage on Morgan Territory Road and is crossed by two roadway access easements that service adjacent parcels. Although cattle grazing and corral usage are options, there are no current plans to actively allow cattle on this property. Therefore, it is anticipated that minimal operating expenses will be incurred and patrols can be absorbed with the DPR's existing resources.
- Any changes to public access, use, development, resources or habitat protection will be addressed through the normal budget process.

Staff Recommendation: Authorize site selection

CONSENT ITEM

CONSENT ITEM – 12

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
OCOTILLO WELLS STATE VEHICULAR RECREATION AREA
IMPERIAL COUNTY
DGS Parcel Number 6340, DPR Parcel Number A21728

*Authority: Chapter 324/98, 3790-301-0263(1),
as reappropriated by Chapter 106/01, Item 3790-490*

Authorize acquisition consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 12

Department of General Services
Department of Parks and Recreation
Ocotillo Wells State Vehicular Recreation Area (In-holdings)
Imperial County

Action requested

The requested action will authorize acquisition for this project.

Scope Description

This project is within scope. The Department of Parks and Recreation (DPR) received funding approval by the Legislature for the acquisition of approximately 7,800 acres of unimproved desert land within the eastern portion of the Ocotillo Wells State Vehicle Recreation Area (SVRA) Park. Since the inception of this legislation the DPR has contracted the services of the Department of General Services (DGS) to acquire in-holdings located within the confines of the SVRA. To date, the DGS has acquired approximately 3,394 acres. This request will authorize acquisition of fee simple of an approximately 0.22 acre parcel.

Funding and Cost Verification

This project is within cost. Chapter 324/98, Item 3790-301-0263(1) provides \$3,600,000 for this acquisition program. The property can be acquired within the remaining funds available and in accordance with Legislative intent.

\$3,600,000 total authorized project costs

\$3,600,000 total estimated project costs

\$2,389,000 project costs previously allocated for various acquisitions

\$2,000 project costs to be allocated for this acquisition: acquisition \$1,000,
DGS staff costs (title and escrow fees) \$1,000

\$1,209,000 project costs remaining for future acquisitions

CEQA

A Notice of Exemption (NOE) was filed with the State Clearinghouse on September 1, 2006 and the 35-day statute of limitations expired on October 5, 2006.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow for this acquisition is March 2007.

Condition of Property

On Thursday, October 27, 2005, a condition of property review of the perspective acquisition parcels for the SVRA was conducted by DGS/ESS staff. The proposed acquisitions consist of various parcels ranging in size from 0.22 acres to 30 acres. The parcels are located as existing in-holdings or in close proximity to the SVRA. The average rainfall is approximately three inches per year. Temperature in the summer can exceed 115 degrees, while winter temperatures can range below 30 degrees. Plant life has adapted to these conditions and is

noteworthy primarily because of the predominance of Ocotillo dessert landscape. All of the parcels proposed for acquisition are either in an area of gently sloping topography or within the "badlands" made up of dissected, rapidly eroding topography. During the site review, no improvements were observed on any of the properties nor were any environmental hazards found. A Phase 1 Environmental Site Assessment is not recommended.

Other:

- This project was approved for site selection by the State Public Works Board on February 9, 2001. The DPR and DGS have subsequently worked together to identify willing sellers on a monthly basis for acquisition approval of their properties.
- The purchase prices do not exceed the fair market value as determined by a DGS appraisal.
- Implied dedication may exist because an undetermined portion of the subject parcels may be subject to public use. The desert terrain is typically traversed by the general public without regard for ownership and use of the land is open and notorious.
- Although there has been no history of contamination, the Department of Parks and Recreation (DPR) has conducted a review of the property for evidence of contamination from hazardous and toxic materials and there was no evidence or indication of contamination found.
- The DPR is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require delivery of clear title to the property.
- The property is vacant and unimproved.
- The State was not able to purchase the mineral rights on certain parcels being acquired. The DPR has determined that the extraction of oil or minerals will not unreasonably interfere with the use of the property. With respect to the Ocotillo Wells SRVA, Public Resource Code 5006.45(c) permits the extraction of mineral rights at the SVRA.
- The staffing pertaining to this acquisition will be absorbed within the DPR's existing support budget.

Staff Recommendation: Authorize acquisition

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CONSENT ITEM

CONSENT ITEM – 13

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
SAN SIMEON STATE PARK, PIEDRAS BLANCAS
SAN LUIS OBISPO COUNTY
DGS Parcel Number 10446, DPR Parcel Number 003253

*Authority: Chapter 157/03, Item 3760-301-6029(3),
as reappropriated by Chapters 47 and 48/06, Item 3760-490;
Chapter 208/04, Item 3760-301-0005(1);
Chapter 208/04, Item 3760-301-0565(1);
Chapter 208/04, Item 3790-301-0890(1);
Chapters 38 and 39/05, Item 3790-301-6029(5)
Chapters 38 and 39/05, Item 3790-301-6029(6)*

Authorize acquisition consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 13

Department of General Services (DGS)
Department of Parks and Recreation (DPR)
San Simeon State Park, Piedras Blancas Resort
San Luis Obispo County

Action requested

The requested action will authorize acquisition for this project.

Scope Description

This project is within scope. The Legislature has approved funding from Proposition 40 (California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002) for new State Park System acquisitions without specifying particular parcels. The Legislature has also approved funding for the purchase of interests in lands that meet criteria established in a Federal Trust Fund Acquisition Program and a Department of Transportation Federal Scenic Highway Program without specifying particular parcels. This request will authorize acquisition of fee simple interest of approximately 20 acres as an addition to the San Simeon State Park.

The Piedras Blancas property is located along scenic Highway 1. The property offers a unique and much needed opportunity for the public to safely pull off the highway, park in the existing paved parking area, and access two beaches, bluffs and trails. This half-mile of coast is a critical missing link of public access on a 13 mile stretch of publicly-held coastline that is essential to the California Coastal Trail.

In addition, the property lies within the Monterey Bay National Marine Sanctuary, a preserve that encompasses 276 miles of shoreline and 5,322 square miles of ocean. Supporting one of the world's most diverse marine ecosystems, the Sanctuary is home to numerous mammals, seabirds, fishes, invertebrates, and plants in a remarkably productive coastal environment. Piedras Blancas provides critical habitat and breeding grounds for one of the Sanctuary's resident species, the northern elephant seal, which is fully protected under California state law and federally protected under the Marine Mammal Protection Act of 1972.

Funding and Cost Verification

This project is within cost. The purchase of the property would be accomplished using state funding sources with additional contributed funds from federal grant programs. The balance of the appropriation is sufficient to acquire the subject property in accordance with legislative intent.

Funding for acquisition (a total of \$5.1 million) includes:

- **\$2,298,208** - State Coastal Conservancy grants (state)
- **\$700,277** - Proposition 40 (state)
- **\$300,000** - Proposition 40 and Federal Scenic Byways Program, to be reimbursed by Caltrans (state/federal)
- **\$1,801,515** - National Oceanic and Atmospheric Administration grant (federal)

Funding for overhead (a total of \$25,000) will be provided by Proposition 40.

CEQA

A Notice of Exemption/Determination was filed with the State Clearinghouse on December 13, 2006, and the 35-day waiting period expired on January 17, 2007.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is March 2007.

Condition of Property

The Department of General Services, Environmental Services Section (ESS) staff conducted a site visit to the Piedras Blancas Motel and RV Park property on December 6, 2006. The property is located at 16420 Highway 1 in San Simeon, San Luis Obispo County, California and consists of approximately 25 acres. The western portion of the property is composed of coastal bluffs bordered by the Pacific Ocean. To the east of the property is Highway 1. The southern portion of the property is currently in use as a public access to Arroyo Del Corral Beach, which is located adjacent to the property to the south. To the north of the property are cliffs that contain an asphalt remnant of the former location of Highway 1. The California Department of Transportation is currently relocating Highway 1 access east of this area.

The property consists of eight permanent structures currently present on the site. There is a main motel building with eleven units, a laundry facility and a manager's apartment. All structures are one story. Adjacent to the south of the main motel building is a separate structure that includes the former café and kitchen, station store, office and the service station garage with an attached shed. A single-story, two-bedroom dwelling is located on the southern

portion of the property. Adjacent to the dwelling is a large detached garage with two roll up doors. Behind the garage is a wood-frame barn and large shed that are currently empty. A property manager and his family currently occupy the manager's apartment and three of the units in the main motel building. The motel is currently closed and the residence is not occupied.

Surface topography is predominantly flat, with cliffs along the western side above an unnamed beach that is accessible by an unpaved walking trail. Surface elevation ranges from sea level at the beach to approximately 35 feet above mean sea level (msl) at Highway 1. Topography generally slopes upward toward the Santa Lucia Range to the east.

A Phase I Environmental Site Assessment (ESA) was prepared for the acquisition (RRM, Inc., October 20, 2006). The ESA was reviewed by DGS-ESS staff and found to be in accordance with the American Society for Testing and Materials (ASTM) standard E1527. "No recognized environmental concerns (RECs) were identified on the subject property or in the immediate offsite area that would appear to represent a potential threat of an adverse impact to soil or groundwater at the subject site" (RRM, Inc.). However, based on the age of the structures on the property, it appeared likely that some of the construction materials contained asbestos or lead. Sampling and laboratory analysis of the paints, flooring, wall, and adhesive construction materials indicated that limited lead and asbestos are present in some locations on the property. Because these hazardous materials are not harmful if the structures remain in present condition, it is recommended that a study to determine the possible presence of lead-based paint and ACBM (asbestos-containing building materials) is present, prior to demolition or adaptation to these structures.

The gasoline dispensing facilities that were once associated with the service station facility, including underground storage tanks have been removed. Soil samples taken contained trace concentrations of petroleum hydrocarbons that are below regulatory action limits and represent a "de minimus" condition.

Two active domestic wells and one abandoned domestic well were observed during the site visit. The abandoned domestic well is not capped but has been contracted for capping in the near future. No other potential problems with hazardous materials, e.g., ground and /or vegetation staining were observed during the ESS site visit and the property is compatible with the proposed future use as an addition to the State Park access to the beach.

Other:

- The State Public Works Board (Board) approved site selection for this project on January 12, 2007.
- The Board approved the acquisition on February 9, 2007. After the approval from the Board, the Land and Water Conservation Fund (LWCF) Program, administered by the National Park Service, found statutory requirements that prohibit the use of LWCF funds in a project that uses other federal funds. This project includes federal funding from the Federal Scenic Byways Program and the National Oceanic and Atmospheric Administration (NOAA) Coastal and Estuarine Land Conservation Program (CELCP). Therefore, LWCF will not participate in funding \$255,130 towards the acquisition as originally presented to the Board. The DPR is amending this staff analysis to remove the LWCF component and will increase the Proposition 40 funding by \$255,130. Because LWCF is no longer contributing funding, any restrictions stipulated in the LWCF grant will not apply to this project.
- The \$255,130 in LWCF grant funding allocated for this project will be applied toward a future acquisition, with the Proposition 40 funding portion of the project reduced by the same amount. This will result in no net impact to Proposition 40.
- The non-profit Trust for Public Lands (TPL) is the current owner of the property.

- The property includes a vacant residence and a non-operating 14-unit motel and café. There is an on-site property manager under contract with TPL to perform basic maintenance and installation activities on the property. The property manager was brought in by TPL to protect the property until TPL was able to resale the property. The contractor understands that no relocation assistance would be involved with this project.
- There is no known implied dedication associated with this property.
- Of the funding sources listed earlier in the Funding and Cost Verification section, the following carry property use restrictions in the respective grant agreements:
 1. Federal Scenic Byways Program - restricts the property uses to byway-visitor enhancement, restricts ownership or operation to a government entity or a legally organized not-for-profit entity, and restricts future construction or development of the property to the current footprint or equivalent of existing structures. Remedies for possible future change in use are reconveyance of the property or refund of the grant program's proportional interest in the then fair market value of the property.
 2. State Coastal Conservancy – restricts the property uses to providing public access to the coast, low cost visitor serving facilities including overnight use, natural resource protection, and open space preservation. Further, the property may not be used for mitigation purposes. The grant agreement provides no remedies for any future change in use. Acceptance of grant agreements with use restrictions, but with no cures for potential future change in use is not recommended. In this case, however, the compensating factor is that the grant contractor is a State of California agency. It is understood that the grant restrictions would be subject to override, if necessary.
 3. National Oceanic and Atmospheric Administration (NOAA) Coastal and Estuarine Land Conservation Program (CELCP) – requires that the property be held in public ownership in perpetuity, provide conservation in perpetuity, and provide general public access or other public benefit as appropriate and consistent with resource protection. The grant terms provide for the recipient's return of the CELCP grant funds in the event that the property is converted to other uses inconsistent with the grant program purposes or sold or otherwise transferred. However, in contrast to other grant programs where property use restrictions and remedies for use conversion are outlined in a grant agreement with public notice accomplished by means of a recorded Memorandum of Agreement or other separate document, NOAA requires that its property use restrictions be placed into, and made a part of, the acquisition grant deed. The grant deed contains language which states the grant deed is subject to the grant agreement and CELP Program Guidelines, June 2003.
- The NOAA grant deed property use restriction described above creates a distinction between the rights to be conveyed to the state from the rights addressed in the DGS-approved appraisal. It should be noted that this grant deed use restriction is a result of NOAA grant program and not a requirement of TPL, the current property owner. Since this distinction was created on behalf of the state as a requirement of their funding source and not TPL, the impact on fair market value to the property was not considered in moving forward with this acquisition. However, the grant agreement allows DPR to reimburse the funds if the property or interest is sold, exchanged or converted to other uses that are inconsistent with the purposes for which it was acquired without prior approval of NOAA. Therefore, this remedy allows the removal of the restriction placed on the property which will convert the property back to its highest and best use. Although diminution of property rights and property value may potentially exist, the remedy described herein compensates for any significant loss the state might otherwise incur as a result of the grant deed use restriction.
- Based upon a "Geologic Assessment of Bluff Erosion and Sea Cliff Retreat, Piedras Blancas Motel, San Simeon Area, San Luis Obispo County, California" prepared by GeoSolutions, Inc., a local engineering geology consultant, a coastal bluff retreat rate of approximately 2.8 to 4.3 feet per year is occurring with the motel area (northern portion) of the site. A retreat rate of approximately 1 to 3 inches per year is occurring in the central and southern portions of the site. Based upon these retreat estimates, the remaining motel structure (located at

the northern portion of the property) may require removal within the next five years. A previously threatened portion of the motel has already been removed by the property owner as a condition of the acquisition and erosion control measures have been implemented. Based upon the above referenced geological study and the cost of the previous demolition and removal of the most northerly motel building, the appraiser estimated the demolition cost and removal cost of the remainder of the existing motel (8,694 sq. ft) to be \$120,000. The appraiser then deducted the estimated demolition and removal costs from the overall fair market value of the land. The appraiser values the land less the demolition removal costs to be \$5.5 million; the state purchase price is \$5.1 million. At such time that demolition of the structure is required, the department will utilize existing district resources and/or pursue other nominal cost alternatives such as prison labor, and California Conservation Corps to accomplish the work. In the interim, the department will consider the following adaptive uses for the structure: visitor contact facility, multi-agency visitor center, youth hostel to accommodate travelers along the California Coastal Trail, and/or a base of operations for park volunteers and docents.

- DPR policy related to coastal erosion precludes the use of artificial and/or engineered erosion control measures such as rip rap, and gunite; therefore, the department will not be requesting funding in the future to protect the motel structure from naturally occurring erosion. Further, the department will not be requesting any major capital outlay funding for renovations or improvements to the existing structure given that there would not be a sufficient time frame for any major improvement costs to be amortized.
- The Property Acquisition Agreement (PAA) provides for the Grantor to complete the following tasks prior to close of escrow: (i) tree pruning and removal of excess dead tree matter, (ii) well upgrade and repair, (iii) replacement of propane gas tank and lines, (iv) installation of post and rope fence along bluff, (v) installation of standard DPR signs for beach access and dangerous bluff alerts, (vi) provision of portable toilets, and (vii) seal coating the parking lot. The DPR will conduct a site visit to verify tasks have been completed.
- The PAA does not include the state's standard indemnification language potentially exposing the state to additional fiscal liability. However, the DGS-ESS site visit did not identify conditions which would likely pose exceptional risk to the State. Further, it should be noted that the lack of indemnification language does not relieve the grantor of liability under existing law.
- The DPR is not aware of any lawsuits pending concerning the property. The PAA will require delivery of title to the property free and clear of any mortgages or liens.
- The DPR will be acquiring the approximately 20-acre parcel as an addition to the San Simeon State Park. Although the parcel includes some structures, the intent at this time is to use the acquisition primarily as an access point to the surrounding beaches and trails. There will be no public access to the facilities at this time. Therefore, the management plan is to provide periodic patrols of the property as part of the routine patrols for the entire park unit. As such, no additional support needs are anticipated with the acquisition of this property.
- While the DPR does not foresee changes at this time to public access, development, or resource needs, any such changes will be addressed through the normal budget process.

Staff Recommendation: Authorize acquisition

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CONSENT ITEM

CONSENT ITEM – 14

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
THE FOREST OF NISENE MARKS STATE PARK, MALLEY (SAVE-THE-REDWOODS
LEAGUE)
SANTA CRUZ COUNTY
DPR Parcel Number 003264-77, DGS Parcel Number 10443

*Authority: Chapter 106/01, 3790-301-0005(28),
as reappropriated by Chapter 208/04, Item 3790-491
Chapter 157/03, Item 3790-301-6029(10),
as reappropriated by Chapters 47 and 48/06, Item 3790-491*

Authorize acquisition consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 14

Department of General Services
Department of Parks and Recreation
The Forest of Nisene Marks State Park, Malley (Save-the-Redwoods League)
Santa Cruz County

Action requested

The requested action will authorize acquisition for this project.

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (DPR) to acquire 0.5 acres of land, which is an inholding in the Forest of Nisene Marks State Park. This acquisition helps DPR fulfill two important missions: acquiring inholdings in the state park system and the long-term preservation of sustainable redwood forest ecosystems.

Funding and Cost Verification

This project is within cost. Chapter 157/03, Item 3790-301-6029(10), as reappropriated by Chapters 47 and 48/06, Item 3790-491, provides a total of \$35,000,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient to acquire the subject property in accordance with legislative intent.

\$177,000 total authorized project costs

\$177,000 total estimated project costs

\$177,000 project costs to be allocated: \$172,000 acquisition and \$5,000 overhead (including DGS review)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on December 19, 2006. The Litigation Period expired on January 22, 2007.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is March 2007.

Condition of Property

On December 18, 2006, staff of the Department of General Service's Environmental Services Section (DGS-ESS) conducted a site survey of the proposed acquisition of an approximately half-acre parcel in the Santa Cruz Mountains in Santa Cruz County. The parcel is situated at the edge of the Forest of Nisene Marks State Park. The purpose of the acquisition is to secure an in-holding with ecological value that is situated on the park's boundary.

The subject parcel consists of a flat pad that served as a site for a former cabin; the parcel includes a perimeter of healthy, mature second-growth redwood forest. Access to the site is from a poorly-improved dirt road that serves the back of the park and adjacent private lands. The road has a locked gate at the county road to prevent motorized entry to these properties by unauthorized vehicles. All the former improvements on this parcel, including a small cabin, household debris, and a water system, have been fully removed. With the exception of the level areas where the cabin and parking spaces were, the parcel has no improvements or physical alterations. A close survey of the site revealed only a few remaining pieces of galvanized water pipe that was impractical to remove, 6-8 small concrete foundation piers, and a very small amount of scattered broken glass. The septic system has been drained and sealed with sand in conformance with county health standards. Given the past use of the property as a long-term residential retreat the property is very clean and free of debris and building materials.

The parcel is in a remote area of the Santa Cruz Mountains. With the exception of two other small cabins on adjacent parcels (about 300-600 yards away) the area has no history of urban development, industrial use, or hazardous materials storage and/or disposal. The area was probably logged in the early 1900s but the parcel now supports a substantial stand of stable second-growth redwoods and other native vegetation.

Because of the rural nature of the parcel and the diligent efforts to remove the previous cabin and associated debris DGS-ESS believes there is no need to prepare a formal Phase I preliminary site assessment for this acquisition. DGS-ESS does, however, recommend that once title transfers the Department of Parks and Recreation should be prepared to block off the steep four-wheel drive path that starts at the edge of the parcel (note: this road has no easement, it is an informal access used by neighboring property owners that has some potential to cause erosion). Blockage of this road can be accomplished very simply with either logs or a few large rocks.

Other

- This project was approved for site selection by the State Public Works Board on January 12, 2007.
- The purchase price will not exceed the estimated fair market value as determined by an appraisal reviewed by DGS.
- The non-profit Save-the-Redwoods League, has offered to sell this property to the State at approximately 69 percent of the fair market value approved by the Department of General Services (DGS), with the condition that a use restriction agreement be recorded requiring the State to use the property for State park purposes. This restriction can be lifted if the property is declared surplus to the State's needs or the State Public Works Board recommends that a transfer to another State agency is necessary for higher and better public purposes. In either event, the property can be removed from the terms of the SRL use agreement upon payment of 31 percent of the market value of the property, excluding the value of any State improvements.
- The Property Acquisition Agreement does not include the State's standard indemnification language, potentially exposing the State to additional fiscal liability; however, the DGS, ESS site visit of the property did not identify conditions that would likely pose an exceptional risk to the State. Further, given the fact that the property is largely unimproved natural habitat, the risk associated with acquiring this property without the standard indemnification language does not relieve the seller of liability under existing law.
- There is no implied dedication applicable to this property.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- The DPR is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- This proposed acquisition is a 0.5 acre in-holding within the Santa Cruz Mountains near the existing Forest of Nisene Marks State Park. The parcel is essential to maintain the redwood forest ecosystem. Since this is a 0.5 acre in-holding acquisition, the DPR can absorb ranger patrol of this parcel with existing staff as part of its normal activities. Operating expenses are expected to be minimal and can be absorbed with existing resources for the continued operation.
- While DPR does not foresee changes at this time to public access, development or resource needs, any such changes will be addressed through the normal budget process.

Staff Recommendation: Authorize acquisition

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CONSENT ITEM

CONSENT ITEM – 15

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA STATE UNIVERSITY (6610)
HUMBOLDT STATE UNIVERSITY, MAI KAI LAND ACQUISITION - CAMPUS APARTMENTS
HUMBOLDT COUNTY
Project No. CSU 500, DGS Parcel No. 10396

Authority: Chapter 38, Statutes of 2005, Item 6610-302-6041(5)

Authorize acquisition consistent with the staff analysis

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 15

Department of General Services
California State University
Humboldt State University, Mai Kai Land Acquisition – Campus Apartments
Humboldt County

Action requested

The requested action will authorize acquisition for this project.

Scope Description

This project is within scope. This project is for the combined renovation, reconfiguration and expansion of the Humboldt State University campus (Humboldt campus). The project includes the creation of academic quadrangles, interconnecting pedestrian pathways and open space, a major campus entry into an on-campus transit center and improved instructional facilities with accessibility and site safety improvements. This request will authorize the acquisition of approximately 1.02 acres of land contiguous to, and surrounded by the Humboldt campus. The acquisition of this property will include two structures. The structures consist of a four-story apartment building containing approximately 110 apartments that are rented primarily to students, and a building that includes an office and a laundromat facility. Although the structures will be demolished to construct a new student services building, the apartment building will remain rented until construction commences. The acquisition of this property is contained within the Campus' Master Plan and is considered necessary to meet the needs of the University's increasing enrollment growth projections. The proposed building cannot be implemented without the acquisition of this property.

Funding and Cost Verification

This project is within cost. Item 6610-302-6041(5), Chapter 38 of Statutes of 2005, provides \$6,000,000 from the 2004 Higher Education Capital Outlay Bond Fund for this project, as well as the related Mill Street House project.

CEQA

An Environmental Impact Report (EIR) was completed for the campus Master Plan. A Notice of Determination was filed with the State Clearinghouse on November 18, 2004, and the 30-day statute of limitations expired on December 18, 2004. "Addendum No. 2 to the Final EIR for the 2004 HSU Master Plan, Clarification of Acquisition of the Campus Apartments and Mill Street Parcels, State Clearinghouse No. 2004052085" was completed in January 2006. Addendum No. 2 has been reviewed by appropriate California State University (CSU) staff. There are no changes to the project, the Addendum meets the requirements of CEQA, and no further action is required. .

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is May 2007.

Condition of Property

On December 2, 2005, staff from the Department of General Services (DGS), Real Estate Services Division, Professional Services Branch, Environmental Services Section (PSB/ESS) conducted a site survey of the Humboldt State University Campus Apartments located on the campus at 335 Laurel Drive.

The subject property contains two structures built in the late 1950's. At the west end of Laurel Drive is a single-story structure that contains offices, a maintenance shop, and a laundromat. The second structure is a rectangular, four-story concrete and wood apartment house that is situated against a steep hillside; there is a substantial change in grade between the north (Laurel Drive) and south (University parking lots) sides of the building. Surface parking is present on both the upper and lower levels of the parcels comprising this property.

An Environmental Site Assessment (Phase I) was prepared for the property In January 2006. Based on this report and other facility assessments conducted on the campus, the apartment and associated office structures contain no hazardous substances of any concern. While it is assumed that lead paint and asbestos-bearing materials are probably present due to the age of the building, no reported underground tanks or hazardous debris associated with these structures were found. The Phase I did note a remote potential for soil contamination because of the property's proximity to a former steam laundry located approximately 200 feet west to southwest of the acquisition area. However, the HSU campus is already responsible for this adjacent parcel so no additional liability will be assumed from the purchase of the apartment complex.

PSB/ESS believes the structures pose no short or long-term hazard/risk to the State. The condition of these structures will not impose exceptional hazard remediation or demolition costs to the campus. HSU campus has budgeted for costs associated with potential lead paint and asbestos-bearing material removal as part of the construction costs of the proposed building project.

Other:

- The State Public Works Board (PWB) approved site selection for this project on April 14, 2006.
- **Further Environmental Investigation** - After reviewing the environmental due diligence materials and conferring with Humboldt campus facility management staff, PSB/ESS staff believe that there are no remaining concerns with the property. PSB/ESS has confirmed the reference to potential groundwater contamination at the western edge of the property was in error; the subject contamination is at some distance from this site and it does not affect the long-term cost of holding the property. The subject apartment does contain some asbestos-bearing materials but these materials have been determined to not be friable so they are not a hazard to the building's occupants. This material will be removed upon demolition of the building when the Humboldt campus proceeds with its planned campus development project. Humboldt campus facility management staff confirmed no incidents of hazardous waste spills, leakage, or similar events had occurred on this property since it was last reviewed by PSB/ESS. PSB/ESS believes the acquisition is appropriate for consideration by the PWB. There is no evidence that the property contains any unknown long-term liability to the state.
- **Option Agreement** - The Humboldt State University Sponsored Programs Foundation (HSUSP), an auxiliary organization to HSU campus, entered into a five-year option expiring June 24, 2009, with the property owner which is assignable to the State. In return for the \$300,000 HSUSP paid the property owner to secure the option which is to be applied toward the purchase price, HSUSP has agreed to assign the option to the State. The State is to assume and exercise the option resulting in fee simple ownership of the property.
- The purchase price does not exceed estimated fair market value as determined by a DGS approved appraisal.
- **Leases to be Assumed** – The property is improved and occupied. Currently a non-profit organization (business) with a lease expiring July 1, 2007, and sixty-eight residential month-to-month leases affect the property which the Humboldt campus will assume and manage. Prior to the close of escrow, the property owner is to provide estoppel certificates from the tenants confirming terms and conditions of the leases anticipated to generate approximately \$390,600 in annual rental income.
- **Relocation Assistance** – Relocation assistance may be involved with the acquisition of this property. On July 8, 2006, DGS provided the property's tenants a relocation assistance general informational notice advising that steps have been taken to acquire the property and relocation assistance may be available in the future if relocation is necessary and eligibility established. The HSU campus hired a consultant to prepare and facilitate the relocation plan. The HSU campus and consultant report that one non-profit organization (business) and 21 persons state that they are permanent residents and potentially could be subject to displacement resulting in an estimated relocation cost of \$195,000. At the present time, the HSU campus advises that adequate funding in the project acquisition budget is available for relocation costs and the HSU campus is committed to complying with the California Relocation Act (Government Code 7260 et seq.).
- The CSU Board of Trustees approved acquisition of this property on November 17, 2004, as evidenced by its approval of the Master Plan. The Master Plan specifically identifies this parcel as needed for the expansion of the campus.
- CSU is not aware of any lawsuits pending concerning the property.
- The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.

Staff Recommendation: **Authorize acquisition**

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CONSENT ITEM

CONSENT ITEM – 16

DEPARTMENT OF PARKS AND RECREATION (3790)
COLUMBIA STATE HISTORIC PARK, DRAINAGE IMPROVEMENTS
TUOLUMNE COUNTY

*Authority: Chapters 38 and 39/05, Item 3790-301-0005 (8)
Chapters 47 and 48/06, Item 3790-301-0005 (6)*

Approve preliminary plans

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 16

Department of Parks and Recreation
Columbia State Historic Park, Tuolumne County
Drainage Improvements

Action requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. This project will address drainage and flooding problems at Columbia State Historic Park by lowering the existing road elevations, enlarging selected culverts to carry additional storm water and making improvements to inlet features. In particular, the project will enlarge nine of the north-south and east-west culverts in the town to carry the 100-year flows, replace five existing small drain inlets and pipes with ones of larger capacity, install slotted drainpipes in areas where there is little or no elevation difference between the street, sidewalk and adjacent building floor, and remove existing road surfacing and lowering the elevation of Main Street, Jackson Street, State Street and Fulton Street within the core areas. Color will be added to the top layer of asphalt to provide a road surface that visually is compatible with the historic nature of the park.

Funding and Cost Verification

This project is within cost. At this time, it is estimated that the department will incur \$779,000 in savings due to several modifications in the design as a result of the site investigation.

\$1,832,000 total authorized project costs

\$1,053,000 total estimated project costs

\$144,000 project costs previously allocated: preliminary plans \$144,000

\$909,000 project costs to be allocated: working drawings \$171,000, construction \$738,000 (\$552,000 contract, \$39,000 contingency, \$124,000 A&E costs, \$23,000 agency retained items)

(\$779,000) estimated savings: construction \$779,000

CEQA

A Notice of Exemption was filed with the State Clearinghouse on January 2, 2007, and the waiting period expired on February 6, 2007.

Project Schedule

The project schedule is as follows:

Approve working drawings: June 2007

Complete construction: April 2008

Due Diligence

The location of the project site encompasses various parcels acquired from 1940 by the state. The project proposed improves the existing drainage system within the vicinity of several existing buildings on the site. There are utility easements within the site; however, these easements do not affect the project. There are no known hazards within the area of impact of the project.

Staff Recommendation: Approve preliminary plans

CONSENT ITEM

CONSENT ITEM – 17

**CALIFORNIA COMMUNITY COLLEGES (6870)
NAPA VALLEY COMMUNITY COLLEGE DISTRICT, NAPA VALLEY COLLEGE,
LIBRARY/LEARNING RESOURCE CENTER
NAPA COUNTY**

Authority: Chapters 47 and 48/06, Item 6870-303-6049 (17)

Approve preliminary plans

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 17

California Community Colleges
Napa Valley Community College District; Napa Valley College
Library/Learning Resource Center
Napa County

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

The project is within scope. The project constructs a 45,598 assignable square foot (asf) Library/Learning Resource Center building. Space types include 29,140 asf library space, 9,953 asf AVTV space, 4,539 asf office and 1,966 asf other space. The new construction will replace the old library building.

Funding and Project Cost Verification

The project is within cost.

\$37,828,000 total authorized project costs

\$37,828,000 total estimated project costs

\$1,112,000 project costs previously allocated: preliminary plans \$103,000 state funds;
\$1,009,000 district funds at CCCI 4421

\$16,295,000 state project costs to be allocated: working drawings \$218,000; construction
\$14,905,000 (\$13,544,000 contracts; \$1,361,000 construction management,
administration, testing and inspection) at CCCI 4421; and equipment \$1,172,000
at EPI 2726

\$20,421,000 local funds to be allocated: working drawings \$1,399,000, and construction
\$17,000,000 (\$15,250,000 contracts; \$1,750,000 construction management,
administration, testing and inspection) at CCCI 4421; and equipment \$2,022,000
at EPI 2726

CEQA

A Notice of Determination (2004042073) for the project was filed on March 7, 2005 and the waiting period has expired.

Due Diligence

Community college districts are local entities and the state does not have title to their real property, hence districts acknowledge that they have full responsibility for clearing due diligence issues for general obligation bond projects.

Project Schedule

The project schedule is as follows:

Approve working drawings	August 2007
Complete Construction	June 2009

Staff Recommendation: Approve preliminary plans

CONSENT ITEM

CONSENT ITEM – 18

**CALIFORNIA COMMUNITY COLLEGES (6870)
RIVERSIDE COMMUNITY COLLEGE DISTRICT, NORCO CAMPUS, INDUSTRIAL
TECHNOLOGY FACILITY, PHASE III
RIVERSIDE COUNTY**

Authority: Chapters 47 and 48/06, Item 6870-303-6049 (21)

Approve preliminary plans

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 18

California Community Colleges
Riverside Community College District; Norco Campus, Industrial Technology Facility, Phase III
Riverside County

Action Requested

The requested action will approve preliminary plans.

Scope Description

The project is within scope. The project provides for a 32,557 assignable square foot (asf) high technology building. Space types include 8,550 asf lecture space, 17,100 asf laboratory space, 2,490 asf office and 4,417 asf other space. The programs in these spaces include advanced integrated manufacturing/robotics and applied environmental technologies.

Funding and Project Cost Verification

The project is within cost.

\$22,763,000 total authorized project costs

\$22,763,000 total estimated project costs

\$695,000 project costs previously allocated: preliminary plans \$188,000 state funds;
\$507,000 district funds at CCCI 4421

\$20,296,000 state project costs to be allocated: working drawings \$198,000; construction
\$18,080,000 (\$17,241,000 contracts; \$839,000 construction management,
administration, testing and inspection) at CCCI 4421; and equipment \$2,018,000
at EPI 2726

\$1,772,000 local funds to be allocated: working drawings \$564,000, and construction
\$1,008,000 (\$862,000 contingency; \$146,000 construction management,
administration, testing and inspection) at CCCI 4421; and equipment \$200,000 at
EPI 2726

CEQA

A Notice of Exemption (2006118242) for the project was filed on November 29, 2006 and the waiting period has expired.

Due Diligence

Community college districts are local entities and the state does not have title to their real property, hence districts acknowledge that they have full responsibility for clearing due diligence issues for general obligation bond projects.

Project Schedule

The project schedule is as follows:

Approve working drawings	August 2007
Complete Construction	May 2009

Staff Recommendation: Approve preliminary plans

CONSENT ITEM

CONSENT ITEM – 19

**CALIFORNIA COMMUNITY COLLEGES (6870)
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT, SKYLINE COLLEGE, FACILITY
MAINTENANCE CENTER
SAN MATEO COUNTY**

Authority: Chapters 47 and 48/06, Item 6870-303-6049 (23)

Approve preliminary plans

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 19

California Community Colleges
San Mateo County Community College District; Skyline College, Facility Maintenance Center
San Mateo County

Action Requested

The requested action will approve preliminary plans.

Scope Description

The project is within scope. The project constructs a 10,633 asf maintenance complex. The project contains 184 asf office space and 10,449 asf for maintenance shops and related service areas.

Funding and Project Cost Verification

The project is within cost.

\$7,090,000 total authorized project costs

\$7,090,000 total estimated project costs

\$230,000 project costs previously allocated: preliminary plans \$43,000 state funds; \$187,000 district funds at CCCI 4421

\$4,846,000 state project costs to be allocated: working drawings \$49,000; construction \$4,547,000 (\$4,122,000 contracts; \$206,000 contingency, and \$219,000 construction management, testing, and inspection) at CCCI 4421; and equipment \$250,000 at EPI 2744

\$2,014,000 local funds to be allocated: working drawings \$232,000, and construction \$1,782,000 (\$1,599,000 contracts, \$77,000 contingency; \$106,000 construction management, administration, testing and inspection) at CCCI 4421

CEQA

A Notice of Exemption (2002048124) for the project was filed on April 11, 2002 and the waiting period has expired.

Due Diligence

Community college districts are local entities and the state does not have title to their real property, hence districts acknowledge that they have full responsibility for clearing due diligence issues for general obligation bond projects.

Project Schedule

The project schedule is as follows:

Approve working drawings	August 2007
Complete Construction	October 2008

Staff Recommendation: Approve preliminary plans

CONSENT ITEM

CONSENT ITEM – 20

**DEPARTMENT OF VETERANS AFFAIRS (8955)
GREATER LOS ANGELES AND VENTURA COUNTY VETERANS HOMES
LOS ANGELES AND VENTURA COUNTY**

*Authority: Government Code §§15819.60 and 15819.65
Military and Veterans Code §1104.1*

Reestablish project cost

\$299,563,000

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 20

Department of Veterans Affairs,
Greater Los Angeles and Ventura County Homes
Los Angeles and Ventura County

Action Requested

The requested action will reestablish cost for this project. Staff notes that the project cost is \$628,000 less than shown in the noticed agenda, reflecting a refinement of project costs.

Scope Description

The Greater Los Angeles and Ventura Counties (GLAVC) project will construct a 516-bed veterans' home offering various levels of care at three sites. The largest of the three facilities will have 396 beds in 373,000 gross square feet in West Los Angeles. The other two facilities, located in Lancaster and Ventura, will each have 60 beds in approximately 47,000 gross square feet and also contain a maximum 50 person adult daycare facility.

Funding and Project Cost Verification:

Based on the low bid received for each site, the GLAVC project will cost \$298.9 million. Staff notes that the project cost is \$628,000 less than shown in the noticed agenda, reflecting a refinement of project costs. Of this total cost, approximately \$179.8 million is anticipated to be funded through a grant from the federal government. The remaining project costs will be funded by the state through \$88.1 million lease revenue bonds authorized in Government Code §15819.65 and \$31.0 million general obligation bonds authorized in Military and Veterans Code §1104.1.

The new project cost represents a \$35.1 million increase (13.3 percent) over the cost established at the January 2006 PWB meeting. However, existing interim financing is adequate to cover the lease revenue share and thus, there is no need to seek a supplemental resolution for this project.

\$298,936,000 total estimated project cost

\$23,628,000 project costs previously allocated: preliminary plans \$12,825,000; and working drawings \$10,803,000

\$275,308,000 project costs to be allocated: construction \$275,308,000 (\$223,067,000 contract; \$11,153,000 contingency; \$7,796,000 A/E; \$19,491,000 agency retained; and \$15,362,000 other)

CEQA

The Environmental Impact Report was filed with the State Clearinghouse on December 9, 2005, and the waiting period expired on January 8, 2006.

Project Schedule

The project schedule is as follows:

Award construction contracts:	June 2007
Complete construction:	
Lancaster	October 2008
Saticoy	October 2008
West LA	February 2010

Due Diligence

Due diligence for GLAVC was completed on February 1, 2007.

Other

- This action will supersede the cost that was established for the GLAVC project at the January 2006 SPWB meeting, and the January 2006 SPWB meeting superseded the scope and cost established at December 2004 SPWB meeting.
- The December 2004 SPWB meeting established the cost of GLAVC at \$235 million. That amount is also the assumed cost of GLAVC when legislation was approved (Ch 824/2004) authorizing the current level of authority.
- Legislation is being drafted to provide an additional \$30 million in lease revenue bond authority that is needed to allow the California Department of Veterans Affairs to begin the Redding and Fresno projects. As all five new home projects share the lease revenue bond authority, an increase to GLAVC reduces the funds available for Redding and Fresno.
- The legislation will also enable the SPWB to augment lease revenue bond authority for the new home projects by the amount of the federal fund commitment if the federal funds are not available at the time of construction. Without this ability, there is a concern that the Redding and Fresno projects could be delayed by two or more years as GLAVC will use up the annual federal appropriation for the next couple years. Current law requires the projects to be stopped until federal funds become available.
- Both the Lancaster and Ventura sites are sized to allow for future expansion of the facilities up to 400-beds without the need to acquire additional land.

Staff Recommendation: Reestablish cost

ACTION ITEM

ACTION ITEM – 21

DEPARTMENT OF GENERAL SERVICES (1760)
SACRAMENTO LIBRARY AND COURTS BUILDING RENOVATION
SACRAMENTO COUNTY

Authority: Chapter 38/05, Item 1760-301-0660 (1)

Recognize scope change

APPROVED 3/0

ACTION ITEM

STAFF ANALYSIS ITEM – 21

Department of General Services
Sacramento Library and Courts Building Renovation
Sacramento County

Action requested

The requested action will recognize a change in scope.

Scope Description

This project is not within scope. The project consists of fire/life/safety and infrastructure improvements and rehabilitation of historically significant architectural elements of the circa 1928 Library and Courts Building. The building is a registered federal and state landmark. It has received minimal updating, excluding a recent seismic retrofit in the late 1990's. The project currently consists of upgrades to the entire interior and exterior of the building, and will gain back the historic character of the State Library and Courts Building. The two mechanical penthouses over light wells will be demolished and rebuilt on the roof. New vertical and horizontal mechanical distribution will be provided. New stacked electrical and telecom/data closets will be added at every floor and new horizontal distribution. A complete fire and life safety upgrade is included, involving rated corridors and sprinkling. Associated hazardous materials and historic considerations are also addressed. Additional work provides basic interior renovation and exterior building restoration. Interior upgrades includes vertical stacking of electrical and telecom spaces, historic elevators, security, and accessibility items; Existing deficiencies in mechanical, electrical, and plumbing systems will be corrected; Architectural renovation items include historic ceilings, lights, and art. Exterior restoration items address the roof and shell, and provide localized repair. The project addresses associated hazardous materials abatement and historic considerations.

The original plan involved phasing of the construction to allow continuous occupancy of the building during renovation. Based on a detailed analysis of infrastructure systems during schematic design, it is now recommended that the building occupants and collections be relocated during construction for the following reasons:

- Avoids the health and safety implications to the occupants during construction.
- Avoids/reduces risk to historic books and artwork due to dust and heat exposure, as well as threat of theft, water, and fire damage.
- Eliminates the need to provide temporary continuous basic building functions such as emergency egress, smoke/fire alarm, air conditioning, ventilation, power, telecommunication, and water/sewer during construction, all of which have proven to be more complex and expensive than originally anticipated and budgeted during the construction phase.
- Increases the likelihood of attracting a larger “bidding pool” by eliminating the additional general liability insurance necessary for construction in an occupied building. The building’s estimated content value is over \$500 million, consisting largely of rare materials, books, and works of art.

In consideration of these factors, it is recommended that the Third Appellate District Court, State Supreme Court, and State Library tenants and collections be relocated for the two year duration of the construction phase of the renovation project. A detailed analysis of tenant space needs, move costs, and project impacts has commenced and will be submitted for consideration by April 1, 2007.

On February 23, 2007 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to recognize this scope change after March 15, 2007.

Funding and Cost Verification

This project is not within cost. As stated above, an analysis of tenant needs, move costs, and project impacts is now underway and will be submitted by April 1, 2007. Current funding is as follows:

\$49,082,000 total authorized project costs

\$2,723,000 project costs previously allocated: preliminary plans, \$2,723,000

\$46,359,000 project costs to be allocated: working drawings \$2,672,000; construction \$43,687,000 (\$36,634,000 contract, \$2,564,000 contingency, and \$4,489,000 A&E and other project costs)

CEQA

CEQA document will be prepared during the preliminary plan phase.

Project Schedule

The project schedule will be amended as follows:

A new schedule will be developed as part of the aforementioned project analysis.

Staff Recommendation: Recognize scope change contingent upon the expiration of the 20-day letter without comment

OTHER BUSINESS

OTHER ITEM –

NONE.

REPORTABLES

To be presented at meeting.

Respectfully Submitted
By:

Karen Finn
Administrative Secretary